

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

**FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

SPECTRUM BRANDS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

3690
(Primary Standard Industrial
Classification Code Number)

22-2423556
(I.R.S. Employer
Identification No.)

3001 Deming Way
Middleton, Wisconsin 53562
(608) 275-3340

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

***ADDITIONAL REGISTRANTS LISTED ON SCHEDULE A HERETO**

Nathan E. Fagre, Esq. General Counsel and Secretary,
3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

Raphael M. Russo, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas New York, New York 10019-6064, (212) 373-3000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(1)	Amount of registration fee(2)
6.125% Senior Notes due 2024	\$250,000,000	100%	\$250,000,000	\$29,050
Guarantees of 6.125% Senior Notes due 2024	N/A	N/A	N/A	N/A(3)
5.750% Senior Notes due 2025	\$1,000,000,000	100%	\$1,000,000,000	\$116,200
Guarantees of 5.750% Senior Notes due 2025	N/A	N/A	N/A	N/A(3)

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended.
- (2) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended.
- (3) No additional consideration is being received for the guarantees. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate fee is required in respect of such guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

SCHEDULE A

Name*	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
AA Group (U.S.)—A LLC	Delaware	3690	45-4070567
AA Group (U.S.)—B LLC	Delaware	3690	45-4070646
AAG IDQ Acquisition Corporation	Delaware	3690	46-4980905
Applica Mexico Holdings, Inc.	Delaware	3690	74-3100872
Armored AutoGroup Inc.	Delaware	3690	27-3620112
Armored AutoGroup Intermediate Inc.	Delaware	3690	27-3620036
Armored AutoGroup Parent Inc.	Delaware	3690	27-3619935
Armored AutoGroup Sales Inc.	Delaware	3690	27-5136040
IDQ Acquisition Corp.	Delaware	3690	80-0595723
IDQ Holdings, Inc.	Delaware	3690	03-0386828
IDQ Operating, Inc.	New York	3690	11-2225300
National Manufacturing Mexico A LLC	Delaware	3690	N/A**
National Manufacturing Mexico B LLC	Delaware	3690	N/A**
National Openings, LLC	Pennsylvania	3690	46-2516338
ROV Holding, Inc.	Delaware	3690	22-2423555
ROV International Holdings LLC	Delaware	3690	N/A**
Salix Animal Health, LLC	Florida	3690	65-0965477
SB/RH Holdings, LLC	Delaware	3690	27-2812840
Schultz Company	Missouri	3690	43-0625762
STP Products Manufacturing Company	Delaware	3690	06-1408442
The Armor All/STP Products Company	Delaware	3690	36-2999270
United Industries Corporation	Delaware	3690	43-1025604

* The address of each additional registrant's principal executive office is c/o Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340.

** Single member LLC disregarded for U.S. tax purposes.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated September 21, 2015

PRELIMINARY PROSPECTUS



Spectrum Brands, Inc.

Exchange Offer for

\$250,000,000 6.125% Senior Notes due 2024 and Related Guarantees

\$1,000,000,000 5.750% Senior Notes due 2025 and Related Guarantees

The Notes and the Guarantees

- We are offering to exchange \$250,000,000 of our outstanding 6.125% Senior Notes due 2024 and certain related guarantees, which were issued on December 4, 2014 in a private offering and which we collectively refer to as the "2024 initial notes," for a like aggregate amount of our registered 6.125% Senior Notes due 2024 and certain related guarantees, which we collectively refer to as the "2024 exchange notes." The 2024 exchange notes will be issued under the indenture dated as of December 4, 2014, as supplemented by the supplemental indenture dated as of February 24, 2015 and as further supplemented by the supplemental indenture dated as of June 23, 2015, which we refer to as the "2024 notes indenture." We refer to the 2024 initial notes and the 2024 exchange notes collectively as the "2024 notes."
- We are offering to exchange \$1,000,000,000 of our outstanding 5.750% Senior Notes due 2025 and certain related guarantees, which were issued on May 20, 2015 in a private offering and which we collectively refer to as the "2025 initial notes," for a like aggregate amount of our registered 5.750% Senior Notes due 2025 and certain related guarantees, which we collectively refer to as the "2025 exchange notes." The 2025 exchange notes will be issued under the indenture dated as of May 20, 2015, as supplemented by the supplemental indenture dated as of June 23, 2015, which we refer to as the "2025 notes indenture" and, together with the 2024 notes indenture, the "indentures." We refer to the 2025 initial notes and the 2025 exchange notes collectively as the "2025 notes."
- We refer to the 2024 initial notes and the 2025 initial notes, collectively or individually, as the context requires, as the "initial notes." We refer to the 2024 exchange notes and the 2025 exchange notes, collectively or individually, as the context requires, as the "exchange notes." We refer to the initial notes and the exchange notes collectively as the "notes."
- The 2024 exchange notes will mature on December 15, 2024. We will pay interest on the 2024 exchange notes semi-annually on June 15 and December 15 of each year, commencing on December 15, 2015, at a rate of 6.125% per annum, to holders of record on the June 1 or December 1 immediately preceding the interest payment date.
- The 2025 exchange notes will mature on July 15, 2025. We will pay interest on the 2025 exchange notes semi-annually on July 15 and January 15 of each year, commencing on January 15, 2016, at a rate of 5.750% per annum, to holders of record on the July 1 or January 1 immediately preceding the interest payment date.
- The exchange notes will be guaranteed on a senior unsecured basis by our direct parent, SB/RH Holdings, LLC, and each of our existing and future domestic subsidiaries, which we refer to collectively as the "guarantors."
- The exchange notes and the related guarantees will be the general unsecured obligations of us and the guarantors and will rank equally in right of payment with all of our and the guarantors' existing and future senior indebtedness, including the initial notes (but effectively subordinated to our secured debt, including the Secured Credit Facilities (as defined herein) to the extent of the value of the assets securing such secured debt), and senior in right of payment to all of our and the guarantors' future indebtedness that expressly provide for its subordination to the exchange notes and the related guarantees. See "Description of 2024 Notes" and "Description of 2025 Notes," as applicable.

Terms of the Exchange Offer

- The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2015, unless we extend it.
- If all the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the applicable exchange notes.
- You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.
- The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.
- The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled "[Risk Factors](#)" commencing on page 18.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have not applied, and do not intend to apply, for listing or quotation of the notes on any national securities exchange or automated quotation system.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The date of this prospectus is _____, 2015.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

Until _____, (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes, whether or not participating in the exchange offer, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Each prospective purchaser of the exchange notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes or possesses or distributes this prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the exchange notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and we shall not have any responsibility therefor.

TRADEMARKS

We have proprietary rights to or are exclusively licensed to use a number of registered and unregistered trademarks that we believe are important to our business, including, without limitation, Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature's Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero and Super Seal Stop Leak. We attempt to obtain registration of our key trademarks whenever possible or practicable and pursue any infringement of those trademarks. Solely for convenience, the trademarks, service marks and tradenames referred to in this prospectus are without the "®" and "TM" symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data and information used throughout this prospectus from our own internal company surveys and management estimates as well as from industry and general publications and research, surveys or studies conducted by third parties. Industry and general publications and research, studies and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such data and information. While we believe that these publications and research, studies and surveys are reliable, neither we nor the initial purchasers have independently verified such data and information and neither we nor the initial purchasers make any representation or warranty as to the accuracy of such data and information.

There is only a limited amount of independent data available about our industry, market and competitive position, particularly outside of the United States. As a result, certain data and information are based on our good faith estimates, which are derived from our review of internal data and information, information that we obtain from customers, and other third-party sources. We believe these internal surveys and management estimates are reliable; however, no independent sources have verified such surveys and estimates.

The industry data that we present in this prospectus include estimates that involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" and those discussed under "Cautionary Statement Regarding Forward-Looking Statements."

PROSPECTUS SUMMARY

The following summary highlights basic information about us, the exchange offer and the exchange notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus, including the section entitled “Risk Factors.” Certain statements in this summary are forward-looking statements. See “Cautionary Statement Regarding Forward-Looking Statements.”

Unless otherwise indicated in this prospectus or the context requires otherwise, “Spectrum Brands” refers only to Spectrum Brands, Inc. and not to any of its subsidiaries; “Spectrum” refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; “SB/RH Holdings,” the “Company,” “we,” or “our” refers to the Spectrum Brands’ parent SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries, including Spectrum Brands. “SB Holdings” refers to SB/RH Holdings’ parent Spectrum Brands Holdings, Inc.

Our Company

We are a diversified global branded consumer products company. Spectrum Brands is a wholly owned direct subsidiary of SB/RH Holdings, which is a direct subsidiary of SB Holdings. SB Holdings’ common stock trades on the New York Stock Exchange (the “NYSE”) under the symbol “SPB.”

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States (“U.S.”) provider of residential locksets and builders’ hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent, Inc. (“AAG”). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 13, “Acquisitions” to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers (“OEMs”) and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature’s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company's worldwide battery, personal care and small appliances primarily in the kitchen and home product categories ("Global Batteries & Appliances"); (ii) Hardware & Home Improvement, which consists of the Company's worldwide hardware, home improvement and plumbing business ("Hardware & Home Improvement"); (iii) Global Pet Supplies, which consists of the Company's worldwide pet supplies business ("Global Pet Supplies"); (iv) Home and Garden, which consists of the Company's home and garden and insect control business ("Home and Garden"); and (v) Global Auto Care, which consists of the Company's automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge ("Global Auto Care"). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 11, "Segment Information," to our audited Consolidated Financial Statements and Note 11, "Segment Results," to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors' advertising and promotional activities and pricing strategies.

Recent Developments

AAG Acquisition

On May 21, 2015, we completed our acquisition (the "AAG Acquisition") of AAG pursuant to the Agreement and Plan of Merger by and among AAG, SB Holdings, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, for \$1.4 billion in cash.

We funded the AAG Acquisition with the proceeds of our offering of the 2025 initial notes and gross proceeds from SB Holdings' registered offering of its common stock. SB Holdings also contributed to us the additional proceeds received by it in connection with the underwriters' exercise of their option to purchase additional shares in the registered offering. We expect to use such additional proceeds for general corporate purposes.

Refinancing Transactions

On June 23, 2015, we entered into a Credit Agreement (the "Credit Agreement"), by and among Spectrum Brands, SB/RH Holdings, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time. See "Description of Other Indebtedness—Credit Agreement."

Pursuant to the Credit Agreement, on June 23, 2015, we closed senior secured credit facilities consisting of (a) a \$1,450 million U.S. Dollar-denominated term loan facility (the "USD Term Loan Facility"), (b) a €300 million Euro-denominated term loan facility (the "Euro Term Loan Facility"), (c) a CAD\$75 million Canadian Dollar-denominated term loan facility (the "CAD Term Loan Facility" and, collectively with the USD

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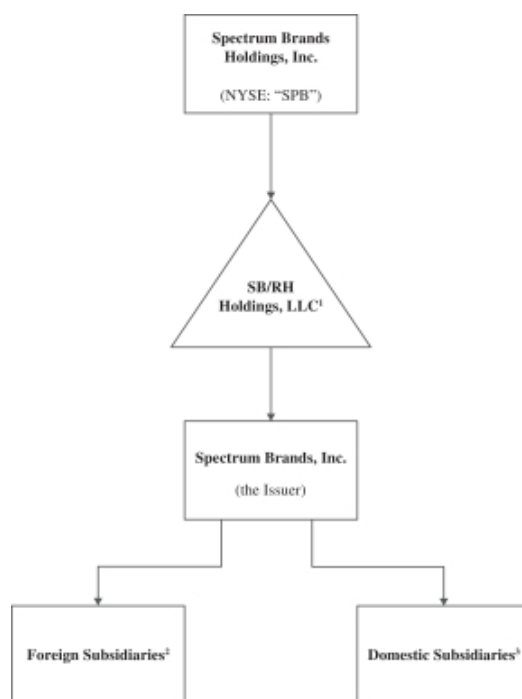
Term Loan Facility and the Euro Term Loan Facility, the “Term Credit Facilities”) and (d) a \$500 million cash flow revolving credit facility (the “Revolving Credit Facility” and, together with the Term Credit Facilities, the “Secured Credit Facilities”).

The net proceeds of the Term Credit Facilities were used, among other things, to (i) refinance our Credit Agreement dated as of December 17, 2012 (as amended, modified, supplemented or restated from time to time, the “Prior Term Loan Credit Agreement”) and repay in full all obligations in respect of the Prior Term Loan Credit Agreement and related loan documents, (ii) repay in full all obligations in respect of our Loan and Security Agreement, dated as of June 16, 2010 (as amended, modified, supplemented or restated from time to time, the “Prior ABL Facility Agreement”) and (iii) to pay fees and expenses in connection with the transactions referenced in clause (i) and for general corporate purposes. A portion of the net proceeds, together with borrowings under the Revolving Credit Facility, was also used to fund the satisfaction and discharge of the indenture governing Spectrum Brands’ 6.750% Senior Notes due 2020 (the “6.75% Notes”).

The Revolving Credit Facility includes a letter of credit subfacility. Letters of credit issued thereunder were used by Spectrum to replace then-existing letters of credit under the Prior ABL Facility Agreement on the closing date of the Credit Agreement. Letters of credit and proceeds of the loans under the Revolving Credit Facility may be used by Spectrum, the other borrowers and their respective subsidiaries for, among other things, working capital and other general corporate purposes, including the financing of permitted acquisitions and other permitted investments and dividends and other distributions on account of the capital stock of the borrowers, restricted payments and any other use not prohibited by the terms of the loan documents.

Corporate Structure

The chart below is a summary of the organization structure of the Issuer and its parents and subsidiaries.



- ¹ SB/RH Holdings (i) is a guarantor of our obligations under the Secured Credit Facilities and pledged only the capital stock issued to it by Spectrum as collateral, (ii) is a guarantor of Spectrum Brands' 6.375% Senior Notes due 2020 and Spectrum Brands' 6.625% Senior Notes due 2022 (together, the "2020/2022 Notes"), (iii) is a guarantor of our obligations under the initial notes and (iv) will be a guarantor of our obligations under the exchange notes offered hereby.
- ² None of our foreign subsidiaries are, or will be, guarantors of the 2020/2022 Notes, the initial notes or the exchange notes offered hereby. None of our foreign subsidiaries are guarantors under the Secured Credit Facilities as of the closing date of the Secured Credit Facilities.
- ³ Our domestic subsidiaries, subject to certain exceptions, are guarantors of the 2020/2022 Notes and the initial notes and will be guarantors of the exchange notes offered hereby. Certain of our domestic subsidiaries are guarantors under the Secured Credit Facilities.

Additional Information

Spectrum Brands is a Delaware corporation and the address of our principal executive office is 3001 Deming Way, Middleton, Wisconsin 53562. Our telephone number is (608) 275-3340. Our website address is www.spectrumbrands.com. Information contained on or accessible through our website is not part of, and is not incorporated by reference into, this prospectus.

Summary of the Exchange Offer

In connection with the closing of the offering of each of the 2024 initial notes and the 2025 initial notes, we entered into a registration rights agreement (as more fully described below) with the initial purchasers of the 2024 initial notes and the 2025 initial notes, as applicable. You are entitled to exchange in the exchange offer your initial notes for exchange notes.

Exchange Offer

We are offering to exchange \$250 million aggregate principal amount of our 2024 exchange notes and certain related guarantees and \$1,000 million aggregate principal amount of our 2025 exchange notes and certain related guarantees for a like aggregate principal amount of our 2024 initial notes and 2025 initial notes, respectively, and certain related guarantees.

In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn. Initial notes may be exchanged only for a minimum principal denomination of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Expiration Date

This exchange offer will expire at 5:00 p.m., New York City time, on _____, _____ (the “expiration date”), unless we decide to extend it.

Exchange Notes

The exchange notes will be identical in all material respects to the initial notes except that:

- the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliates of ours or subject to restrictions due to being broker-dealers;
- the 2024 exchange notes are not entitled to the registration rights applicable to the 2024 initial notes under the registration rights agreement dated December 4, 2014 (the “2024 Notes Registration Rights Agreement”);
- the 2025 exchange notes are not entitled to the registration rights applicable to the 2025 initial notes under the registration rights agreement dated May 20, 2015 (the “2025 Notes Registration Rights Agreement” and, together with the 2024 Notes Registration Rights Agreement, the “Registration Rights Agreements”); and
- our obligation to pay additional interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes.

Conditions to the Exchange Offer

We will complete this exchange offer with respect to the applicable series of notes only if:

- there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer for such series of notes,

- there is no change in the current interpretation of the staff of the SEC which permits resales of such series of exchange notes,
- there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the applicable indenture governing the exchange notes under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”),
- there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer for such series of notes, and
- we obtain all the governmental approvals we deem necessary to complete this exchange offer for such series of notes.

Please refer to the section in this prospectus entitled “The Exchange Offer—Conditions to the Exchange Offer.”

Procedures for Tendering Initial Notes

To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under “The Exchange Offer—Exchange Agent.” In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your initial notes, please refer to the section in this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes.”

Special Procedures for Beneficial Owners

If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.

Guaranteed Delivery Procedures

If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your initial notes by using the guaranteed delivery procedures described under the section of this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure.”

Withdrawal Rights

You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under “The Exchange Offer—Exchange Agent” before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

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Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any initial notes that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled “The Exchange Offer—Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.”
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled “Certain U.S. Federal Income Tax Considerations.”
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled “The Exchange Offer—Fees and Expenses.”
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See “Use of Proceeds.”
Consequences to Holders Who Do Not Participate in the Exchange Offer	<p>To the extent you do not participate in this exchange offer:</p> <ul style="list-style-type: none">• except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act,• you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and• the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer. <p>You will not be able to require us to register your initial notes under the Securities Act unless:</p> <ul style="list-style-type: none">• because of any change in law or in applicable interpretations thereof by the SEC staff, we are not permitted to effect the exchange offer for the applicable series of notes;

- (i) with respect to the 2024 notes, the exchange offer is not consummated within 440 days of December 4, 2014 and (ii) with respect to the 2025 notes, the exchange offer is not consummated within 440 days of May 20, 2015;
- you so request with respect to your initial notes that are not eligible to be exchanged for exchange notes in this exchange offer; or
- (i) you (so long as you are not an exchanging dealer) are not eligible to participate in this exchange offer or (ii) you (so long as you are not an exchanging dealer) participate in the exchange offer but may not resell the exchange notes without delivering a prospectus.

In these cases, the Registration Rights Agreements require us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.”

Resales

It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under “—Obligations of Broker-Dealers” below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

- you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto,
- the exchange notes acquired by you are being acquired in the ordinary course of business,
- you have no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes,
- you are not an “affiliate” (as defined in Rule 405 under the Securities Act) of ours, or if you are an “affiliate,” you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable,

- if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes, and
- if you are a broker-dealer, and initial notes to be exchanged were acquired by you as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of such exchange notes.

Please refer to the sections of this prospectus entitled “The Exchange Offer—Procedure for Tendering Initial Notes—Proper Execution and Delivery of Letters of Transmittal,” “Risk Factors—Risks Related to the Exchange Offer—Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes” and “Plan of Distribution.”

Obligations of Broker-Dealers

If you are a broker-dealer that receives exchange notes, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes. If you are a broker-dealer who acquired the initial notes as a result of market-making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes. If you are a broker-dealer who acquired the initial notes directly from us in the initial offering and not as a result of market-making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

Summary of Terms of the 2024 Exchange Notes

The following is a summary of the terms of this offering of the 2024 exchange notes. For a more complete description of the 2024 notes as well as the definitions of certain capitalized terms used below, see “Description of 2024 Notes” in this prospectus.

Issuer	Spectrum Brands, Inc.
2024 Exchange Notes	\$250,000,000 aggregate principal amount of 6.125% Senior Notes due 2024. The form and terms of the 2024 exchange notes are the same as the form and terms of the 2024 initial notes except that the issuance of the 2024 exchange notes is registered under the Securities Act, the 2024 exchange notes will not bear legends restricting their transfer and the 2024 exchange notes will not be entitled to registration rights under the 2024 Notes Registration Rights Agreement. The 2024 exchange notes will evidence the same debt as the 2024 initial notes, and both the 2024 initial notes and the 2024 exchange notes will be governed by the same indenture.
Maturity Date	December 15, 2024.
Interest	The 2024 exchange notes will bear interest at a rate of 6.125% per annum. Interest on the 2024 exchange notes will be payable in cash on June 15 and December 15 of each year, commencing on December 15, 2015.
Optional Redemption	<p>On or after December 15, 2019, we may redeem some or all of the 2024 notes at any time at the redemption prices set forth in “Description of 2024 Notes—Optional Redemption.” In addition, prior to December 15, 2019, we may redeem the 2024 notes at a redemption price equal to 100% of the principal amount plus a “make-whole” premium.</p> <p>Before December 15, 2017, we may redeem up to 35% of the 2024 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 106.125% of principal plus accrued and unpaid interest, <u>provided</u> that at least 65% of the aggregate principal amount of the 2024 notes remains outstanding after the redemption, as further described in “Description of 2024 Notes—Optional Redemption.”</p>
Change of Control	Upon a Change of Control (as defined under “Description of 2024 Notes”) we will be required to make an offer to purchase the 2024 notes. The purchase price will equal 101% of the principal amount of the 2024 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2024 notes). See “Risk Factors—Risks Related to the Notes—We may not be able to make the change of control offer required by the indentures.”

Guarantees	<p>The 2024 exchange notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.</p>
Ranking	<p>The 2024 exchange notes and the related exchange guarantees will be the senior unsecured obligations of us and the guarantors and will:</p> <ul style="list-style-type: none">• rank equally in right of payment with all of our and the guarantors’ existing and future senior indebtedness, including the initial notes and the 2025 exchange notes; and• rank senior in right of payment to all of our and the guarantors’ future indebtedness that expressly provide for its subordination to the 2024 notes and the related guarantees. <p>However, the 2024 exchange notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2024 exchange notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands’ subsidiaries that do not guarantee the 2024 exchange notes.</p>
Certain Covenants	<p>The terms of the indentures governing the 2024 notes restrict our ability and the ability of certain of our subsidiaries (as described in “Description of 2024 Notes”) to:</p> <ul style="list-style-type: none">• incur additional indebtedness;• create liens;• engage in sale-leaseback transactions;• pay dividends or make distributions in respect of capital stock;• purchase or redeem capital stock;• make investments or certain other restricted payments;• sell assets;• issue or sell stock of restricted subsidiaries;• enter into transactions with affiliates; or• effect a consolidation or merger. <p>However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2024 notes are rated investment grade at any time by both Moody’s Investors Service and Standard & Poor’s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indenture governing the 2024 notes will be suspended.</p>

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Absence of a Public Market for the Exchange Notes	The 2024 exchange notes are new securities for which there is no established market. We cannot assure you that a market for these 2024 exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled “Risk Factors—Risks Related to the Exchange Offer—There is no active trading market for the exchange notes.”
Form of the Exchange Notes	The 2024 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company (“DTC”) with U.S. Bank National Association, as custodian. You will not receive 2024 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled “Book-Entry, Delivery and Form of Securities—Exchange of Book-Entry Notes for Certificated Notes” occurs. Instead, beneficial interests in the 2024 exchange notes will be shown on, and transfers of these 2024 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants.
Trustee	U.S. Bank National Association is serving as trustee under the indenture governing the 2024 notes.
Use of Proceeds	We will not receive any proceeds from the issuance of the 2024 exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See “Use of Proceeds.”
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2024 notes, including the 2024 exchange notes. In particular, you should consider the risks described under “Risk Factors.”

Summary of Terms of the 2025 Exchange Notes

The following is a summary of the terms of this offering of the 2025 exchange notes. For a more complete description of the 2025 notes as well as the definitions of certain capitalized terms used below, see “Description of 2025 Notes” in this prospectus.

Issuer	Spectrum Brands, Inc.
2025 Exchange Notes	\$1,000,000,000 aggregate principal amount of 5.750% Senior Notes due 2025. The form and terms of the 2025 exchange notes are the same as the form and terms of the 2025 initial notes except that the issuance of the 2025 exchange notes is registered under the Securities Act, the 2025 exchange notes will not bear legends restricting their transfer and the 2025 exchange notes will not be entitled to registration rights under the 2025 Notes Registration Rights Agreement. The 2025 exchange notes will evidence the same debt as the 2025 initial notes, and both the 2025 initial notes and the 2025 exchange notes will be governed by the same indenture.
Maturity Date	July 15, 2025.
Interest	The 2025 exchange notes will bear interest at a rate of 5.750% per annum. Interest on the 2025 exchange notes will be payable in cash on July 15 and January 15 of each year, commencing on January 15, 2016.
Optional Redemption	<p>On or after July 15, 2020, we may redeem some or all of the 2025 notes at any time at the redemption prices set forth in “Description of 2025 Notes—Optional Redemption.” In addition, prior to July 15, 2020, we may redeem the 2025 notes at a redemption price equal to 100% of the principal amount plus a “make-whole” premium.</p> <p>Before July 15, 2018, we may redeem up to 35% of the 2025 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 105.750% of principal plus accrued and unpaid interest, <u>provided</u> that at least 65% of the aggregate principal amount of the 2025 notes remains outstanding after the redemption, as further described in “Description of 2025 Notes—Optional Redemption.”</p>
Change of Control	Upon a Change of Control (as defined under “Description of 2025 Notes”) we will be required to make an offer to purchase the 2025 notes. The purchase price will equal 101% of the principal amount of the 2025 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2025 notes). See “Risk Factors—Risks Related to the Notes—We may not be able to make the change of control offer required by the indentures.”

Guarantees	<p>The 2025 exchange notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.</p>
Ranking	<p>The 2025 exchange notes and the related exchange guarantees will be the senior unsecured obligations of us and the guarantors and will:</p> <ul style="list-style-type: none">• rank equally in right of payment with all of our and the guarantors' existing and future senior indebtedness, including the initial notes and the 2024 exchange notes; and• rank senior in right of payment to all of our and the guarantors' future indebtedness that expressly provide for its subordination to the 2025 notes and the related guarantees. <p>However, the 2025 exchange notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2025 exchange notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands' subsidiaries that do not guarantee the 2025 exchange notes.</p>
Certain Covenants	<p>The terms of the indentures governing the 2025 notes restrict our ability and the ability of certain of our subsidiaries (as described in "Description of 2025 Notes") to:</p> <ul style="list-style-type: none">• incur additional indebtedness;• create liens;• engage in sale-leaseback transactions;• pay dividends or make distributions in respect of capital stock;• purchase or redeem capital stock;• make investments or certain other restricted payments;• sell assets;• issue or sell stock of restricted subsidiaries;• enter into transactions with affiliates; or• effect a consolidation or merger. <p>However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2025 notes are rated investment grade at any time by both Moody's Investors Service and Standard & Poor's Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indenture governing the 2025 notes will be suspended.</p>

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Absence of a Public Market for the Exchange Notes	The 2025 exchange notes are new securities for which there is no established market. We cannot assure you that a market for these 2025 exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled “Risk Factors—Risks Related to the Exchange Offer—There is no active trading market for the exchange notes.”
Form of the Exchange Notes	The 2025 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company (“DTC”) with U.S. Bank National Association, as custodian. You will not receive 2025 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled “Book-Entry, Delivery and Form of Securities—Exchange of Book-Entry Notes for Certificated Notes” occurs. Instead, beneficial interests in the 2025 exchange notes will be shown on, and transfers of these 2025 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants.
Trustee	U.S. Bank National Association is serving as trustee under the indenture governing the 2025 notes.
Use of Proceeds	We will not receive any proceeds from the issuance of the 2025 exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See “Use of Proceeds.”
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2025 notes, including the 2025 exchange notes. In particular, you should consider the risks described under “Risk Factors.”

Summary Historical Financial Data of SB/RH Holdings

The following summary historical financial data have been derived from SB/RH Holdings' audited consolidated financial statements and SB/RH Holdings' unaudited condensed consolidated financial statements, each included elsewhere in this prospectus. SB/RH Holdings' audited Consolidated Statements of Financial Position as of September 30, 2014 and 2013; SB/RH Holdings' audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders' Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012; SB/RH Holdings' Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited) and September 30, 2014 and SB/RH Holdings' Condensed Consolidated Statements of Operations (Unaudited), Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) and Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine month periods ended June 28, 2015 and June 29, 2014 are included elsewhere in this prospectus.

The financial information and other data indicated may not be indicative of future performance, and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this prospectus.

	Year Ended September 30,			Nine Months Ended	
	2012	2013	2014	June 29, 2014	June 28, 2015
	(in millions)				
Statement of Operations Data:					
Net sales	\$3,252.4	\$4,085.6	\$4,429.1	\$3,250.8	\$3,382.3
Gross profit	1,115.7	1,390.3	1,568.9	1,157.9	1,202.9
Operating income	306.1	352.9	484.5	368.4	344.1
Interest expense ⁽¹⁾	192.0	369.5	202.1	151.7	206.5
Other expense, net	0.9	3.5	6.3	4.4	5.6
Income (loss) from continuing operations before income taxes	113.2	(20.2)	276.1	212.3	132.0
Income tax expense ⁽²⁾⁽³⁾⁽⁴⁾	60.4	27.4	59.0	43.8	4.8
Net income (loss)	52.8	(47.5)	217.1	168.5	127.2
Less: Net income attributable to non-controlling interest	—	(0.1)	0.3	0.2	0.2
Net income (loss) attributable to controlling interest	52.8	(47.4)	216.8	168.3	127.0
Restructuring and related charges—cost of goods sold ⁽⁵⁾	9.8	10.0	3.7	3.3	0.4
Restructuring and related charges—operating expenses ⁽⁵⁾	9.7	24.0	19.2	12.7	21.9
Cash Flow and Related Data:					
Net cash provided (used) by operating activities	\$ 252.7	\$ 258.2	\$ 434.7	\$ (49.2)	\$ (163.6)
Capital expenditures	46.8	82.0	73.3	50.9	49.5
Depreciation and amortization (excluding amortization of debt issuance costs)	129.8	183.0	202.5	143.6	154.9
Statement of Financial Position Data (at period end):					
Cash and cash equivalents		\$ 198.2	\$ 192.9		\$ 107.2
Working capital ⁽⁶⁾		524.4	502.3		996.6
Total assets		5,619.0	5,511.3		7,473.8
Total long-term debt, net of current maturities		3,115.9	2,894.1		4,294.3
Total debt		3,218.9	3,006.7		4,393.8
Total shareholders' equity		884.7	1,020.7		1,575.8

- (1) Fiscal 2014 includes a non-cash charge of \$9 million related to the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our prior term credit facility. Fiscal 2013 includes fees and expenses of \$106 million coupled with a non-cash charge of \$16 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and replacement of our 9.5% senior secured notes due 2018 (the “9.5% Notes”) and prior term credit facility in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 includes a non-cash charge of \$2 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of our 12% Senior Subordinated Toggle Notes due 2019 (the “12% Notes”).
- (2) Fiscal 2014 income tax expense of \$59 million includes a non-cash benefit of approximately \$116 million resulting from a decrease in the valuation allowance against certain net deferred taxes.
- (3) Fiscal 2013 income tax expense of \$27 million includes a non-cash charge of approximately \$62 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a \$50 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of our hardware and home improvement business.
- (4) Fiscal 2012 income tax expense of \$60 million includes a non-cash charge of approximately \$12 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a \$15 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator.
- (5) See Note 14, “Restructuring and Related Charges,” to SB/RH Holdings’ audited Consolidated Financial Statements and Note 12, “Restructuring and Related Charges,” to SB/RH Holdings’ Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus for further discussion.
- (6) Working capital is defined as current assets less current liabilities.

RISK FACTORS

An investment in the notes involves risks. Before deciding whether to invest in the notes, in addition to the other information included in this prospectus, you should consider the matters addressed in the section entitled “Cautionary Statement Regarding Forward-Looking Statements” and the risks discussed below. While we believe that these risks are the most important for you to consider, you should read this prospectus carefully, including our financial statements, the notes to our financial statements and management’s discussion and analysis of our financial condition and results of operations, which are included elsewhere in this prospectus. These risk factors are not the only risks that we or our subsidiaries may face. Additional risks and uncertainties not presently known to us or not currently believed to be important also may adversely affect our business.

Risks Related to the Notes

The notes will be Spectrum Brands’ senior unsecured obligations and the guarantees will be unsecured obligations of the guarantors. As such, the notes and the guarantees will be effectively subordinated to any of Spectrum Brands’ or the guarantors’ secured debt, including our existing and any future debt under our Secured Credit Facilities.

Spectrum Brands’ obligations under the notes and the guarantors’ obligations under the guarantees will not be secured. The notes will be effectively subordinated to Spectrum Brands’ and the guarantors’ existing and any future secured indebtedness, including our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness, which assets include substantially all of our assets and the assets of our domestic restricted subsidiaries. As of June 28, 2015, Spectrum Brands and the guarantors had \$2,013.0 million of secured indebtedness outstanding. If we are involved in any dissolution, liquidation or reorganization, or if we default under the indentures governing the notes, holders of our secured debt would be paid before holders of the notes receive any amounts due under the notes to the extent of the value of the collateral securing such indebtedness. In that event, holders of the notes may not be able to recover any or all of the principal or interest due under the notes.

The notes will be effectively subordinated to all liabilities of, and claims of creditors of, all of our foreign subsidiaries.

The notes will not be guaranteed by any of our non-U.S. subsidiaries. Any right that we or the guarantors have to receive any assets of any of the foreign subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries’ assets, will be effectively subordinated to the claims of those subsidiaries’ creditors, including trade creditors, and holders of preferred equity interests of those subsidiaries. The indentures permit these subsidiaries to incur additional debt, subject to certain limits, and will not limit their ability to incur liabilities other than debt. As of June 28, 2015, these non-guarantor subsidiaries had 20% of our total liabilities and generated 55% of our revenue in the nine month period ended June 28, 2015.

If we are unable to comply with the restrictions and covenants in the agreements governing the notes and our other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.

If we are unable to comply with the restrictions and covenants in our Secured Credit Facilities, in the indentures governing the notes offered hereby or governing our 2020/2022 Notes (collectively, the “Indentures”) or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our

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indebtedness, including a default under the aforementioned debt instruments, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in the aforementioned debt instruments), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default:

- the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;
- the lenders under the Secured Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

Moreover, the Secured Credit Facilities, the indentures governing the notes offered hereby and the Indentures each contain cross-default or cross-acceleration provisions that would be triggered by the occurrence of a default or acceleration under other instruments governing our indebtedness. If the payment of our indebtedness is accelerated, there can be no assurance that our assets would be sufficient to repay in full that indebtedness and our other indebtedness that would become due as a result of any acceleration.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Secured Credit Facilities to avoid being in default. If we breach our covenants under our Secured Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Secured Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Despite our current levels of debt, we may still incur substantially more debt ranking equal or effectively senior to the notes and increase the risks associated with our proposed leverage.

Subject to certain restriction and limitation, we or our subsidiaries could incur significant additional indebtedness in the future. The provisions contained in the indentures and in our other debt agreements limit but do not prohibit our ability to incur additional indebtedness on an equal and ratable basis with the notes. In addition, any of our debt could be secured and therefore would be effectively senior to the notes to the extent of the value of the collateral securing that debt. This may have the effect of reducing the amount of proceeds available for the notes in the event of any bankruptcy, liquidation, reorganization or similar proceeding. If new debt is added to our current debt levels, the related risks that we now face as a result of our indebtedness could intensify.

Fraudulent transfer statutes may limit your rights as a holder of the notes.

Federal and state fraudulent transfer laws as previously interpreted by various courts permit a court, if it makes certain findings, to:

- avoid all or a portion of our obligations to holders of the notes;
- subordinate our obligations to holders of the notes to our other existing and future creditors, entitling such creditors to be paid in full before any payment is made on the notes; and
- take other action detrimental to holders of the notes, including invalidating the notes.

In that event, we cannot assure you that you would ever be repaid. There is also no assurance that amounts previously paid to you pursuant to the notes or guarantees would not be subject to return.

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Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that we or the guarantors received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes, and at the time the notes were issued:

- were insolvent or were rendered insolvent by reason of the issuance of the notes;
- were engaged, or were about to engage, in a business or transaction for which our capital was unreasonably small;
- intended to incur, or believed or should have believed we would incur, indebtedness beyond our ability to pay as such indebtedness matures; or
- were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment was unsatisfied.

A court may also void an issuance of notes, a guarantee or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty with actual intent to hinder, delay or defraud current or future creditors.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer statutes and as judicially interpreted. A court could find that we did not receive fair consideration or reasonably equivalent value for the incurrence of the indebtedness represented by the notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending on the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the indebtedness:

- the sum of its indebtedness (including contingent liabilities) is greater than its assets, at fair valuation;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing indebtedness and liabilities (including contingent liabilities) as they become absolute and matured; or
- it could not pay its debts as they became due.

We cannot assure you what standard a court would apply in determining our solvency and whether it would conclude that we were solvent when we incurred our obligations under the notes.

In addition, the guarantees of the notes may also be subject to review under various laws for the protection of creditors. A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees, respectively, if we or a guarantor did not substantially benefit directly from the issuance of the notes. If a court were to void an issuance of the notes or the guarantees, you would no longer have a claim against us or the guarantors. Sufficient funds to repay the notes (or the related exchange notes) may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

We may not be able to make the change of control offer required by the indentures.

Upon a change of control, subject to certain conditions, we are required to offer to repurchase all outstanding notes in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the

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date of repurchase. We cannot assure you that we will have sufficient funds at the time of any change of control to make required repurchases of notes tendered. In addition, our other indebtedness agreements provide that certain change of control events will constitute an event of default thereunder. If the holders of the notes exercise their right to require us to repurchase all of the notes upon a change of control, the financial effect of this repurchase could cause a default under our other indebtedness, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of any such change of control to make the required repurchase of our other indebtedness and the notes or that restrictions in the indentures will not allow such repurchases. In addition, holders may not be entitled to require us to repurchase their notes upon a change of control in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them for purposes of the “Continuing Directors” definition. Lastly, certain other corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a “Change of Control” under the indentures. See “Description of 2024 Notes—Repurchase at the Option of Holders—Change of Control” and “Description of 2025 Notes—Repurchase at the Option of Holders—Change of Control,” as applicable, for additional information.

The market price of the notes may decline if we enter into a transaction that is not a change of control under the indentures.

We may enter into a highly leveraged transaction, reorganization, merger or similar transaction that is not a change of control under the indentures. Nevertheless, such transactions could result in a downgrade of our credit ratings, thereby negatively affecting the value of the notes.

Changes in credit ratings issued by nationally recognized statistical ratings organizations could adversely affect our cost of financing and the market price of our securities, including the notes.

Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

If the notes are rated investment grade at any time by both Moody’s Investor Service and Standard & Poor’s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indentures governing the notes will be suspended, resulting in a reduction of credit protection.

If, at any time, the credit rating on the applicable series of notes, as determined by both Moody’s Investors Service and Standard & Poor’s Ratings Services, equals or exceeds Baa3 and BBB-, respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the applicable indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the notes later falls below these thresholds. However, during any period in which these restrictive covenants are suspended, we may incur other indebtedness, make restricted payments and take other actions that would have been prohibited if these covenants had been in effect. If the restrictive covenants are later restored, the actions taken while the covenants were suspended will not result in an event of default under the applicable indenture even if they would constitute an event of default at the time the covenants are restored. Accordingly, if these covenants and corresponding events of default are suspended, you will have less credit protection than you will at the time the notes are issued. See “Description of 2024 Notes—Suspension of Certain Covenants” and “Description of 2025 Notes—Suspension of Certain Covenants,” as applicable.

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The sale or other disposition by HRG Group, Inc., the holder of a majority of the outstanding shares of our common stock, to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under the agreements governing our debt.

HRG Group, Inc. (f/k/a Harbinger Group Inc.) (“HRG”) owns a majority of the outstanding shares of the common stock of SB Holdings. The sale or other disposition by HRG to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under certain of the agreements governing our debt, including any foreclosure on or sale of SB Holdings’ common stock pledged as collateral by HRG pursuant to the indenture governing HRG’s outstanding secured notes. Under the Secured Credit Facilities, a change of control is an event of default and, if a change of control were to occur, we would be required to get an amendment to these agreements to avoid a default. If we were unable to get such an amendment, the lenders could accelerate the maturity of our Secured Credit Facilities. In addition, under the Indentures, upon a change of control, we are required to offer to repurchase such notes from the holders at a price equal to 101% of principal amount of such notes plus accrued interest or obtain a waiver of default from the holders of such notes. If we were unable to make the change of control offer, or to obtain a waiver of default, it would be an event of default under the applicable Indenture that could allow holders of such notes to accelerate the maturity of the notes.

Risks Related to the Exchange Offer

If you do not properly tender your initial notes, you will continue to hold unregistered initial notes and be subject to the same limitations on your ability to transfer initial notes.

We will only issue exchange notes for initial notes that are timely received by the exchange agent together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the initial notes and you should carefully follow the instructions on how to tender your initial notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the initial notes. If you are eligible to participate in the exchange offer and do not tender your initial notes or if we do not accept your initial notes because you did not tender your initial notes properly, then, after we consummate the exchange offer, you will continue to hold initial notes that are subject to the existing transfer restrictions and will no longer have any registration rights or be entitled to any additional interest with respect to the initial notes. In general, you may only offer or sell the initial notes if such transaction is registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the Registration Rights Agreements, we do not currently anticipate that we will register under the Securities Act, any initial notes that remain outstanding after the Exchange Offer. In addition:

- if you tender your initial notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes; and
- if you are a broker-dealer that receives exchange notes for your own account in exchange for initial notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes. After the exchange offer is consummated, if you continue to hold any initial notes, you may have difficulty selling them because there will be fewer initial notes outstanding.

There is no active trading market for the exchange notes.

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or, if developed, that it will continue or that you will be able to sell your exchange notes at a particular time or at favorable prices. We have not applied, and do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system.

The liquidity of any market for the exchange notes is subject to a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the exchange offer;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the initial notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement.

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.”

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under “Plan of Distribution,” you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.

Risks Related To Our Business

Our substantial indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our substantial indebtedness.

We have, and we expect to continue to have, a significant amount of indebtedness. As of June 28, 2015, we had total indebtedness under the Secured Credit Facilities, the 2020/2022 Notes, the notes and other debt instruments of approximately \$4,402.3 billion. Our substantial indebtedness has had, and could continue to have, material adverse consequences for our business, and may:

- require us to dedicate a large portion of our cash flow to pay principal and interest on our indebtedness, which will reduce the availability of our cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict our ability to make strategic acquisitions, dispositions or to exploit business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds (even when necessary to maintain adequate liquidity) or dispose of assets.

Under the Secured Credit Facilities and the Indentures, we may incur additional indebtedness. If new debt is added to our existing debt levels, the related risks that we now face would increase.

Furthermore, a substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. While we may enter into agreements limiting our exposure to higher debt service requirements, any such agreements may not offer complete protection from this risk.

Restrictive covenants in the Secured Credit Facilities and the Indentures may restrict our ability to pursue our business strategies.

The Secured Credit Facilities and the Indentures restrict, among other things, asset dispositions, mergers and acquisitions, dividends, stock repurchases and redemptions, other restricted payments and indebtedness, loans and investments, liens and affiliate transactions. The Secured Credit Facilities and the Indentures also contain customary events of default. These covenants could among other things, limit our ability to fund future working capital and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of our assets and opportunities fully. In addition, the Secured Credit Facilities and the Indentures require us to dedicate a portion of cash flow from operations to payments on debt and the Revolving Credit Facility contains financial covenants relating to maximum leverage. Such requirements and covenants could limit the flexibility of our restricted entities in planning for, or reacting to, changes in the industries in which they operate. Our ability to comply with these covenants is subject to certain events outside of our control. If we are unable to comply with these covenants, the lenders under our Secured Credit Facilities could terminate their commitments and the lenders under our Secured Credit Facilities or the holders of the 2020/2022 Notes or the notes could accelerate repayment of our outstanding borrowings and, in either case, we may be unable to obtain adequate refinancing of outstanding borrowings on favorable terms or at all. If we are unable to repay outstanding borrowings when due, the lenders under the Secured Credit Facilities will also have the right to proceed against the collateral granted to them to secure the indebtedness owed to them. If our obligations under the Secured Credit Facilities are accelerated, we cannot assure you that our assets would be sufficient to repay in full such indebtedness.

We face risks related to the current economic environment.

The economic environment and related turmoil in the global financial system between 2008 and 2012 had an impact on our business and financial condition, and we may face additional challenges if economic and financial market conditions deteriorate in the future.

Global economic conditions have significantly impacted economic markets within certain sectors, with financial services and retail businesses being particularly impacted. Our ability to generate revenue depends significantly on discretionary consumer spending. It is difficult to predict new general economic conditions that could impact consumer and customer demand for our products or our ability to manage normal commercial relationships with our customers, suppliers and creditors. A number of negative economic factors, including constraints on the supply of credit to households, uncertainty and weakness in the labor market and general consumer fears of a new economic downturn could have a negative impact on discretionary consumer spending. If the economy deteriorates or fails to further improve, our business could be negatively impacted, including as a result of reduced demand for our products or supplier or customer disruptions. Any weakness in discretionary consumer spending could have a material adverse effect on our revenues, results of operations and financial condition. In addition, our ability to access the capital markets may be restricted at a time when it could be necessary or beneficial to do so, which could have an impact on our flexibility to react to changing economic and business conditions.

In the last few years, concern over continuing high unemployment, stagnant economic performance and government debt levels in many European Union countries caused significant fluctuations of the Euro relative to other currencies, such as the U.S. dollar. Continued weakness of the European economy could lead to a decrease in consumer confidence, which could cause reductions in discretionary spending and demand for our products. Furthermore, sovereign debt issues could also lead to further significant, and potentially longer-term, economic issues such as reduced economic growth and devaluation of the Euro against the U.S. dollar, any of which could adversely affect our business, financial conditions and operating results.

We depend on key personnel and may not be able to retain those employees or recruit additional qualified personnel.

We are highly dependent on the continuing efforts of our senior management team and other key personnel. Our business, financial condition and results of operations could be materially adversely affected if we lose any of these persons and are unable to attract and retain qualified replacements.

We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.

The markets in which we participate are very competitive. In the consumer battery market, our primary competitors are Duracell (a brand of Procter & Gamble), Energizer and Panasonic (a brand of Matsushita). In the electric shaving and grooming and electric personal care product markets, our primary competitors are Braun (a brand of Procter & Gamble), Norelco (a brand of Philips), and Vidal Sassoon and Revlon (brands of Helen of Troy). In the pet supplies market, our primary competitors are Mars, Hartz and Central Garden & Pet. In the Home and Garden Business, our principal national competitors are Scotts, Central Garden & Pet and S.C. Johnson. Our principal national competitors within our small appliances product category include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., (d/b/a HWI Breville) NACCO Industries, Inc. (Hamilton Beach) and SEB S.A. In the hardware and home improvement industry, our principal competitors are Schlage, a division of Ingersoll-Rand, Masco, Fortune Brands, Kohler and American Standard. In each of these markets, we also face competition from numerous other companies. In addition, in a number of our product lines, we compete with our retail customers, who use their own private label brands, and with distributors and foreign manufacturers of unbranded products. Significant new competitors or increased competition from existing competitors may adversely affect our business, financial condition and results of our operations.

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We compete with our competitors for consumer acceptance and limited shelf space based upon brand name recognition, perceived product quality, price, performance, product features and enhancements, product packaging and design innovation, as well as creative marketing, promotion and distribution strategies, and new product introductions. Our ability to compete in these consumer product markets may be adversely affected by a number of factors, including, but not limited to, the following:

- We compete against many well-established companies that may have substantially greater financial and other resources, including personnel and research and development, and greater overall market share than us.
- In some key product lines, our competitors may have lower production costs and higher profit margins than us, which may enable them to compete more aggressively in offering retail discounts, rebates and other promotional incentives.
- Technological advancements, product improvements or effective advertising campaigns by competitors may weaken consumer demand for our products.
- Consumer purchasing behavior may shift to distribution channels, including to online retailers, where we and our customers do not have a strong presence.
- Consumer preferences may change to lower margin products or products other than those we market.
- We may not be successful in the introduction, marketing and manufacture of any new products or product innovations or be able to develop and introduce, in a timely manner, innovations to our existing products that satisfy customer needs or achieve market acceptance.

Some competitors may be willing to reduce prices and accept lower profit margins to compete with us. As a result of this competition, we could lose market share and sales, or be forced to reduce our prices to meet competition. If our product offerings are unable to compete successfully, our sales, results of operations and financial condition could be materially and adversely affected. In addition, we may be unable to implement changes to our products or otherwise adapt to changing consumer trends. If we are unable to respond to changing consumer trends, our operating results and financial condition could be adversely affected.

Sales of certain of our products are seasonal and may cause our operating results and working capital requirements to fluctuate.

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (our first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (our third and fourth fiscal quarters) and demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products typically peaks during the first six months of the calendar year (our second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for “back-to-school” sales and in the fall for the holiday season. As a result of this seasonality, our inventory and working capital needs fluctuate significantly throughout the year. In addition, orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. If we are unable to accurately forecast and prepare for customer orders or our working capital needs, or there is a general downturn in business or economic conditions during these periods, our business, financial condition and results of operations could be materially and adversely affected.

Adverse weather conditions during our peak selling season for our home and garden control products could have a material adverse effect on our Home and Garden Business.

Weather conditions have a significant impact on the timing and volume of sales of certain of our lawn and garden and household insecticide and repellent products. For example, periods of dry, hot weather can decrease

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insecticide sales, while periods of cold and wet weather can slow sales of herbicides. Adverse weather conditions during the first six months of the calendar year (our second and third fiscal quarters), when demand for home and garden control products typically peaks, could have a material adverse effect on our home and garden business and our financial results during such period.

We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.

Approximately 40% of our net sales for the fiscal year ended September 30, 2014 were to customers outside of the U.S. Our pursuit of international growth opportunities may require significant investments for an extended period before returns on these investments, if any, are realized. Our international operations are subject to risks including, among others:

- currency fluctuations, including, without limitation, fluctuations in the foreign exchange rate of the Euro, British Pound, Brazilian Real, Canadian Dollar, Australian Dollar, Japanese Yen and the Mexican Peso;
- changes in the economic conditions or consumer preferences or demand for our products in these markets;
- the risk that because our brand names may not be locally recognized, we must spend significant amounts of time and money to build brand recognition without certainty that we will be successful;
- labor unrest;
- political and economic instability, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- lack of developed infrastructure;
- longer payment cycles and greater difficulty in collecting accounts;
- restrictions on transfers of funds;
- import and export duties and quotas, as well as general transportation costs;
- changes in domestic and international customs and tariffs;
- changes in foreign labor laws and regulations affecting our ability to hire and retain employees;
- inadequate protection of intellectual property in foreign countries;
- unexpected changes in regulatory environments;
- difficulty in complying with foreign law; and
- adverse tax consequences.

The foregoing factors may have a material adverse effect on our ability to increase or maintain our supply of products, financial condition or results of operations.

Our products utilize certain key raw materials; any significant increase in the price of, or change in supply and demand for, these raw materials could have a material and adverse effect on our business, financial condition and profits.

The principal raw materials used to produce our products—including zinc powder, brass, electrolytic manganese dioxide powder, petroleum-based plastic materials, steel, aluminum, copper and corrugated materials (for packaging)—are sourced either on a global or regional basis by us or our suppliers, and the prices of those raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation

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costs, government regulations, duties and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. In particular, during the years 2012 and 2013, we experienced extraordinary price increases for raw materials, particularly as a result of strong demand from China. Although we may increase the prices of certain of our goods to our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. We cannot provide any assurance that our sources of supply will not be interrupted due to changes in worldwide supply of or demand for raw materials or other events that interrupt material flow, which may have an adverse effect on our profitability and results of operations.

We regularly engage in forward purchase and hedging derivative transactions in an attempt to effectively manage and stabilize some of the raw material costs we expect to incur over the next 12 to 24 months. However, our hedging positions may not be effective, or may not anticipate beneficial trends, in a particular raw material market or may, as a result of changes in our business, no longer be useful for us. In addition, for certain of the principal raw materials we use to produce our products, such as electrolytic manganese dioxide powder, there are no available effective hedging markets. If these efforts are not effective or expose us to above average costs for an extended period of time, and we are unable to pass our raw materials costs on to our customers, our future profitability may be materially and adversely affected. Furthermore, with respect to transportation costs, certain modes of delivery are subject to fuel surcharges which are determined based upon the current cost of diesel fuel in relation to pre-established agreed upon costs. We may be unable to pass these fuel surcharges on to our customers, which may have an adverse effect on our profitability and results of operations.

In addition, we have exclusivity arrangements and minimum purchase requirements with certain of our suppliers for the Home and Garden Business, which increase our dependence upon and exposure to those suppliers. Some of those agreements include caps on the price we pay for our supplies and in certain instances, these caps have allowed us to purchase materials at below market prices. When we attempt to renew those contracts, the other parties to the contracts may not be willing to include or may limit the effect of those caps and could even attempt to impose above market prices in an effort to make up for any below market prices paid by us prior to the renewal of the agreement. Any failure to timely obtain suitable supplies at competitive prices could materially adversely affect our business, financial condition and results of operations.

We may not be able to fully utilize our U.S. net operating loss carryforwards.

As of September 30, 2014, we had U.S. federal net operating loss carryforwards (“NOLs”) of approximately \$1,084 million and tax benefits related to state NOLs of \$70 million. These net operating loss carryforwards expire through years ending in 2034. As of September 30, 2014, we determined that it continues to be more likely than not that the U.S. federal and most of the U.S. state net deferred tax asset, will not be realized in the future and as such recorded a full valuation allowance to offset the net U.S. federal and most of the U.S. state deferred tax asset, including Spectrum Brands’ NOLs. In addition, Spectrum Brands has had changes of ownership, as defined under Section 382 of the Internal Revenue Code (the “IRC”) of 1986, as amended, that continue to subject a significant amount of Spectrum Brands’ U.S. NOLs and other tax attributes to certain limitations.

As a consequence of the merger of Salton, Inc. and Applicia Incorporated in December 2007 (which created Russell Hobbs, Inc.), as well as earlier business combinations and issuances of common stock consummated by both companies, use of the tax benefits of Russell Hobbs, Inc.’s U.S. NOLs is also subject to limitations imposed by Section 382 of the IRC. We expect that a significant portion of these carryforwards, if any, will not be available to offset future taxable income. In addition, use of Russell Hobbs, Inc.’s NOLs and tax credit carryforwards is dependent upon both Russell Hobbs, Inc. and us achieving profitable results in the future. Russell Hobbs Inc.’s U.S. NOLs were subject to a full valuation allowance at September 30, 2014.

As of September 30, 2014, we estimate that approximately \$302 million of the Spectrum Brands and Russell Hobbs, Inc. U.S. federal NOLs and tax benefits of \$17 million from Spectrum Brands and Russell Hobbs, Inc.

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state NOLs would expire unused even if the Company generates sufficient income to otherwise use all its NOLs, due to the limitation in Section 382 of the IRC.

If we are unable to fully utilize our NOLs, other than those restricted under Section 382 of the IRC, as discussed above, to offset taxable income generated in the future, our results of operations could be materially and negatively impacted.

Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.

As a result of consolidation of retailers and consumer trends toward national mass merchandisers, a significant percentage of our sales are attributable to a very limited group of customers. Our largest customer accounted for approximately 16% of our consolidated net sales for the fiscal year ended September 30, 2014. As these mass merchandisers and retailers grow larger and become more sophisticated, they may demand lower pricing, special packaging or impose other requirements on product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Because of the importance of these key customers, demands for price reductions or promotions, reductions in their purchases, changes in their financial condition or loss of their accounts could have a material adverse effect on our business, financial condition and results of operations. See “—Risks Related to the AAG Acquisition—We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.”

Although we have long-established relationships with many of our customers, we do not have long-term agreements with them and purchases are generally made through the use of individual purchase orders. Any significant reduction in purchases, failure to obtain anticipated orders or delays or cancellations of orders by any of these major customers, or significant pressure to reduce prices from any of these major customers, could have a material adverse effect on our business, financial condition and results of operations. Additionally, a significant deterioration in the financial condition of the retail industry in general, the bankruptcy of any of our customers or if any of our customers were to leave the business, could have a material adverse effect on our sales and profitability.

In addition, as a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among them to purchase products on a “just-in-time” basis. Due to a number of factors, including (i) manufacturing lead-times, (ii) seasonal purchasing patterns and (iii) the potential for material price increases, we may be required to shorten our lead-time for production and more closely anticipate our retailers’ and customers’ demands, which could in the future require us to carry additional inventories and increase our working capital and related financing requirements. This may increase the cost of warehousing inventory or result in excess inventory becoming difficult to manage, unusable or obsolete. In addition, if our retailers significantly change their inventory management strategies, we may encounter difficulties in filling customer orders or in liquidating excess inventories, or may find that customers are cancelling orders or returning products, which may have a material adverse effect on our business.

Furthermore, we primarily sell branded products and a move by one or more of our large customers to sell significant quantities of private label products, which we do not produce on their behalf and which directly compete with our products, could have a material adverse effect on our business, financial condition and results of operations.

As a result of our international operations, we face a number of risks related to exchange rates and foreign currencies.

Our international sales and certain of our expenses are transacted in foreign currencies. During the fiscal year ended September 30, 2014, approximately 40% of our net sales and operating expenses were denominated in foreign currencies. We expect that the amount of our revenues and expenses transacted in foreign currencies

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will increase as our Latin American, European and Asian operations grow and as a result of acquisitions in these markets and, as a result, our exposure to risks associated with foreign currencies could increase accordingly. Significant changes in the value of the U.S. dollar in relation to foreign currencies will affect our cost of goods sold and our operating margins and could result in exchange losses or otherwise have a material effect on our business, financial condition and results of operations. Changes in currency exchange rates may also affect our sales to, purchases from and loans to our subsidiaries as well as sales to, purchases from and bank lines of credit with our customers, suppliers and creditors that are denominated in foreign currencies.

We source many products from China and other Asian countries. To the extent the Chinese Renminbi (“RMB”) or other currencies appreciate with respect to the U.S. dollar, we may experience fluctuations in our results of operations. Since 2005, the RMB has no longer been pegged to the U.S. dollar at a constant exchange rate and instead fluctuates versus a basket of currencies. Although the People’s Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate within a flexible peg range against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future Chinese authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure to currency fluctuations. Further, we may not be successful in implementing customer pricing or other actions in an effort to mitigate the impact of currency fluctuations and, thus, our results of operations may be adversely impacted.

Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.

We are subject to three EU Directives that may have a material impact on our business: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed below. Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment requires us to eliminate specified hazardous materials from products we sell in EU member states. Waste of Electrical and Electronic Equipment requires us to collect and treat, dispose of or recycle certain products we manufacture or import into the EU at our own expense. The EU Directive on Batteries and Accumulators and Waste Batteries bans heavy metals in batteries by establishing maximum quantities of heavy metals in batteries and mandates waste management of these batteries, including collection, recycling and disposal systems, with the costs imposed upon producers and importers such as us. The costs associated with maintaining compliance or failing to comply with the EU Directives may harm our business. For example:

- Although contracts with our suppliers address related compliance issues, we may be unable to procure appropriate Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment compliant material in sufficient quantity and quality and/or be able to incorporate it into our product procurement processes without compromising quality and/or harming our cost structure.
- We may face excess and obsolete inventory risk related to non-compliant inventory that we may hold for which there is reduced demand, and we may need to write down the carrying value of such inventories.
- We may be unable to sell certain existing inventories of our batteries in Europe and other countries that have adopted similar regulations.

Many of the developing countries in which we operate do not have significant governmental regulation relating to environmental safety, occupational safety, employment practices or other business matters routinely regulated in the U.S. and EU or may not rigorously enforce such regulation. As these countries and their economies develop, it is possible that new regulations or increased enforcement of existing regulations may

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increase the expense of doing business in these countries. In addition, social legislation in many countries in which we operate may result in significantly higher expenses associated with labor costs, terminating employees or distributors and closing manufacturing facilities. Increases in our costs as a result of increased regulation, legislation or enforcement could materially and adversely affect our business, results of operations and financial condition.

We may not be able to adequately establish and protect our intellectual property rights, and the infringement or loss of our intellectual property rights could harm our business.

To establish and protect our intellectual property rights, we rely upon a combination of national, foreign and multi-national patent, trademark and trade secret laws, together with licenses, confidentiality agreements and other contractual arrangements. The measures that we take to protect our intellectual property rights may prove inadequate to prevent third parties from infringing or misappropriating our intellectual property. We may need to resort to litigation to enforce or defend our intellectual property rights. If a competitor or collaborator files a patent application claiming technology also claimed by us, or a trademark application claiming a trademark, service mark or trade dress also used by us, in order to protect our rights, we may have to participate in expensive and time consuming opposition or interference proceedings before the U.S. Patent and Trademark Office or a similar foreign agency. Similarly, our intellectual property rights may be challenged by third parties or invalidated through administrative process or litigation. The costs associated with protecting intellectual property rights, including litigation costs, may be material. Furthermore, even if our intellectual property rights are not directly challenged, disputes among third parties could lead to the weakening or invalidation of our intellectual property rights, or our competitors may independently develop technologies that are substantially equivalent or superior to our technology. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Moreover, the laws of certain foreign countries in which we operate or may operate in the future do not protect, and the governments of certain foreign countries do not enforce, intellectual property rights to the same extent as do the laws and government of the U.S., which may negate our competitive or technological advantages in such markets. Also, some of the technology underlying our products is the subject of nonexclusive licenses from third parties. As a result, this technology could be made available to our competitors at any time. If we are unable to establish and then adequately protect our intellectual property rights, our business, financial condition and results of operations could be materially and adversely affected.

We license various trademarks, trade names and patents from third parties for certain of our products. These licenses generally place marketing obligations on us and require us to pay fees and royalties based on net sales or profits. Typically, these licenses may be terminated if we fail to satisfy certain minimum sales obligations or if we breach the terms of the license. The termination of these licensing arrangements could adversely affect our business, financial condition and results of operations.

In our Global Batteries & Appliances segment, we license the use of the Black & Decker brand for marketing in certain small household appliances in North America, South America (excluding Brazil) and the Caribbean. In July 2014, The Black & Decker Corporation (“BDC”) extended the license agreement through December 2018. The failure to renew the license agreement with BDC or to enter into a new agreement on acceptable terms could have a material adverse effect on our financial condition, liquidity and results of operations. Additionally, in connection with our acquisition of the HHI Business, we received a limited right to use certain Stanley Black & Decker trademarks, brand names and logos in marketing our products and services for only five years. Pursuant to a transitional trademark license agreement, Stanley Black & Decker granted us the right to use the “Stanley” and “Black & Decker” marks and logos, and certain other marks and logos, for up to five years after the completion of the HHI Business acquisition in connection with certain products and services. When our right to use these Stanley Black & Decker trademarks, brand names and logos expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are

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unable to successfully manage the transition of our business to our new brand, our reputation among our customers could be adversely affected, and our revenue and profitability could decline.

Claims by third parties that we are infringing their intellectual property and other litigation could adversely affect our business.

From time to time in the past we have been subject to claims that we are infringing the intellectual property of others. We currently are the subject of such claims and it is possible that third parties will assert infringement claims against us in the future. An adverse finding against us in these or similar trademark or other intellectual property litigations may have a material adverse effect on our business, financial condition and results of operations. Any such claims, with or without merit, could be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the resources of management and technical personnel, cause product delays or require us to enter into licensing or other agreements in order to secure continued access to necessary or desirable intellectual property. If we are deemed to be infringing a third party's intellectual property and are unable to continue using that intellectual property as we had been, our business and results of operations could be harmed if we are unable to successfully develop non-infringing alternative intellectual property on a timely basis or license non-infringing alternatives or substitutes, if any exist, on commercially reasonable terms. In addition, an unfavorable ruling in intellectual property litigation could subject us to significant liability, as well as require us to cease developing, manufacturing or selling the affected products or using the affected processes or trademarks. Any significant restriction on our proprietary or licensed intellectual property that impedes our ability to develop and commercialize our products could have a material adverse effect on our business, financial condition and results of operations.

Our dependence on a few suppliers and one of our U.S. facilities for certain of our products makes us vulnerable to a disruption in the supply of our products.

Although we have long-standing relationships with many of our suppliers, we generally do not have long-term contracts with them. An adverse change in any of the following could have a material adverse effect on our business, financial condition and results of operations:

- our ability to identify and develop relationships with qualified suppliers;
- the terms and conditions upon which we purchase products from our suppliers, including applicable exchange rates, transport and other costs, our suppliers' willingness to extend credit to us to finance our inventory purchases and other factors beyond our control;
- the financial condition of our suppliers;
- political and economic instability in the countries in which our suppliers are located, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- our ability to import outsourced products;
- our suppliers' noncompliance with applicable laws, trade restrictions and tariffs; or
- our suppliers' ability to manufacture and deliver outsourced products according to our standards of quality on a timely and efficient basis.

If our relationship with one of our key suppliers is adversely affected, we may not be able to quickly or effectively replace such supplier and may not be able to retrieve tooling, molds or other specialized production equipment or processes used by such supplier in the manufacture of our products. The loss of one or more of our suppliers, a material reduction in their supply of products or provision of services to us or extended disruptions or interruptions in their operations could have a material adverse effect on our business, financial condition and results of operations.

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We manufacture the majority of our foil cutting systems for our shaving product lines, using specially designed machines and proprietary cutting technology, at our Portage, Wisconsin facility. In addition, we also manufacture the majority of our residential door locks at our Subic Bay, Philippines facility. Our home and garden products are mainly manufactured from our St. Louis, Missouri, facility. Damage to these facilities, or prolonged interruption in the operations of these facilities whether for repairs, as a result of labor difficulties or for other reasons, could have a material adverse effect on our ability to manufacture and sell our foil shaving, residential door locks and home and garden products which could in turn harm our business, financial condition and results of operations.

We face risks related to our sales of products obtained from third-party suppliers.

We sell a significant number of products that are manufactured by third party suppliers over which we have no direct control. While we have implemented processes and procedures to try to ensure that the suppliers we use are complying with all applicable regulations, there can be no assurances that such suppliers in all instances will comply with such processes and procedures or otherwise with applicable regulations. Noncompliance could result in our marketing and distribution of contaminated, defective or dangerous products which could subject us to liabilities and could result in the imposition by governmental authorities of procedures or penalties that could restrict or eliminate our ability to purchase products from non-compliant suppliers. Any or all of these effects could adversely affect our business, financial condition and results of operations.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act includes provisions regarding certain minerals and metals, known as conflict minerals, mined from the Democratic Republic of Congo and adjoining countries. These provisions require companies to undertake due diligence procedures and report on the use of conflict minerals in its products, including products manufactured by third parties. Compliance with these provisions will cause us to incur costs to certify that our supply chain is conflict free and we may face difficulties if our suppliers are unwilling or unable to verify the source of their materials. Our ability to source these minerals and metals may also be adversely impacted. In addition, our customers may require that we provide them with a certification and our inability to do so may disqualify us as a supplier.

Class action and derivative action lawsuits and other investigations, regardless of their merits, could have an adverse effect on our business, financial condition and results of operations.

We and certain of our officers and directors have been named in the past, and, may be named in the future, as defendants of class action and derivative action lawsuits. In the past, we have also received requests for information from government authorities. Regardless of their subject matter or merits, class action lawsuits and other government investigations may result in significant cost to us, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations.

We may be exposed to significant product liability claims which our insurance may not cover and which could harm our reputation.

In the ordinary course of our business, we may be named as a defendant in lawsuits involving product liability claims. In any such proceeding, plaintiffs may seek to recover large and sometimes unspecified amounts of damages and the matters may remain unresolved for several years. Any such matters could have a material adverse effect on our business, results of operations and financial condition if we are unable to successfully defend against or settle these matters or if our insurance coverage is insufficient to satisfy any judgments against us or settlements relating to these matters. Although we have product liability insurance coverage and an excess umbrella policy, our insurance policies may not provide coverage for certain, or any, claims against us or may not be sufficient to cover all possible liabilities. Additionally, we do not maintain product recall insurance. We may not be able to maintain such insurance on acceptable terms, if at all, in the future. Moreover, any adverse publicity arising from claims made against us, even if the claims were not successful, could adversely affect the

reputation and sales of our products. In particular, product recalls or product liability claims challenging the safety of our products may result in a decline in sales for a particular product and could damage the reputation or the value of the related brand. This could be true even if the claims themselves are ultimately settled for immaterial amounts. This type of adverse publicity could occur and product liability claims could be made in the future.

We may incur material capital and other costs due to environmental liabilities.

We are subject to a broad range of federal, state, local, foreign and multi-national laws and regulations relating to the environment. These include laws and regulations that govern:

- discharges to the air, water and land;
- the handling and disposal of solid and hazardous substances and wastes; and
- remediation of contamination associated with release of hazardous substances at our facilities and at off-site disposal locations.

Risk of environmental liability is inherent in our business. As a result, material environmental costs may arise in the future. In particular, we may incur capital and other costs to comply with increasingly stringent environmental laws and enforcement policies, such as the EU Directives: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed above. Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries. See “—Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.”

Moreover, there are proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. We may incur some of these costs directly and others may be passed on to us from our third-party suppliers. Although we believe that we are substantially in compliance with applicable environmental laws and regulations at our facilities, we may not always be in compliance with such laws and regulations or any new laws and regulations in the future, which could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties or former properties. We have not conducted invasive testing at all of our facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could be required to incur material unforeseen expenses. If this occurs, it may have a material adverse effect on our business, financial condition and results of operations. We are currently engaged in investigative or remedial projects at a few of our facilities and any liabilities arising from such investigative or remedial projects at such facilities may have a material effect on our business, financial condition and results of operations.

In addition, in connection with business acquisitions, we have assumed, and in connection with future acquisitions may assume in the future, certain potential environmental liabilities. To the extent we have not identified such environmental liabilities or to the extent the indemnifications obtained from our counterparties are insufficient to cover such environmental liabilities, these environmental liabilities could have a material adverse effect on our business.

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We are also subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are responsible as a result of our relationship with such other parties. These proceedings are under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) or similar state or foreign jurisdiction laws that hold persons who “arranged for” the disposal or treatment of such substances strictly liable for costs incurred in responding to the release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all of the costs incurred in investigating and remediating contamination at a site. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine if our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state or foreign jurisdiction laws in the future for other sites not currently known to us, and the costs and liabilities associated with these sites may have a material adverse effect on our business, financial condition and results of operations.

Compliance with various public health, consumer protection and other regulations applicable to our products and facilities could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Certain of our products sold through, and facilities operated under, each of our business segments are regulated by the Environmental Protection Agency (“EPA”), the Food and Drug Administration (“FDA”) or other federal consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain, or the cancellation of, any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients, but we may not always be able to avoid or minimize these risks.

As a distributor of consumer products in the U.S., certain of our products are also subject to the Consumer Product Safety Act, which empowers the U.S. Consumer Product Safety Commission (the “Consumer Commission”) to exclude from the market products that are found to be unsafe or hazardous. Under certain circumstances, the Consumer Commission could require us to repair, replace or refund the purchase price of one or more of our products, or we may voluntarily do so. Any additional repurchases or recalls of our products could be costly to us and could damage the reputation or the value of our brands. If we are required to remove, or we voluntarily remove our products from the market, our reputation or brands could be tarnished and we may have large quantities of finished products that could not be sold. Furthermore, failure to timely notify the Consumer Commission of a potential safety hazard can result in significant fines being assessed against us. Additionally, laws regulating certain consumer products exist in some states, as well as in other countries in which we sell our products, and more restrictive laws and regulations may be adopted in the future.

The Food Quality Protection Act (“FQPA”) established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products that are sold through the Home and Garden Business continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA’s continuing evaluations of active ingredients used in our products.

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In addition, the use of certain pesticide products that are sold through our Home and Garden Business may, among other things, be regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may require that only certified or professional users apply the product, that users post notices on properties where products have been or will be applied or that certain ingredients may not be used. Compliance with such public health regulations could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Any failure to comply with these laws or regulations, or the terms of applicable environmental permits, could result in us incurring substantial costs, including fines, penalties and other civil and criminal sanctions or the prohibition of sales of our pest control products. Environmental law requirements, and the enforcement thereof, change frequently, have tended to become more stringent over time and could require us to incur significant expenses.

Most federal, state and local authorities require certification by Underwriters Laboratory, Inc. (“UL”), an independent, not-for-profit corporation engaged in the testing of products for compliance with certain public safety standards, or other safety regulation certification prior to marketing electrical appliances. Foreign jurisdictions also have regulatory authorities overseeing the safety of consumer products. Our products may not meet the specifications required by these authorities. A determination that any of our products are not in compliance with these rules and regulations could result in the imposition of fines or an award of damages to private litigants.

Public perceptions that some of the products we produce and market are not safe could adversely affect us.

On occasion, customers and some current or former employees have alleged that some products failed to perform up to expectations or have caused damage or injury to individuals or property. Public perception that any of our products are not safe, whether justified or not, could impair our reputation, damage our brand names and have a material adverse effect on our business, financial condition and results of operations. In addition, we rely on certain third party trademarks, brand names and logos which we do not have exclusive use of. Public perception that any such third party trademarks, brand names and logos used by us are not safe, whether justified or not, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to negotiate satisfactory terms to continue existing or enter into additional collective bargaining agreements, we may experience an increased risk of labor disruptions and our results of operations and financial condition may suffer.

As of June 28, 2015, approximately 13% of our total labor force is covered by collective bargaining agreements. There are three collective bargaining agreements that will expire through the end of our fiscal year ending September 30, 2016, which cover approximately 50% of the labor force under collective bargaining agreements, or approximately 6% of our total labor force. While we currently expect to negotiate continuations to the terms of these agreements, there can be no assurances that we will be able to obtain terms that are satisfactory to us or otherwise to reach agreement at all with the applicable parties. In addition, in the course of our business, we may also become subject to additional collective bargaining agreements. These agreements may be on terms that are less favorable than those under our current collective bargaining agreements. Increased exposure to collective bargaining agreements, whether on terms more or less favorable than our existing collective bargaining agreements, could adversely affect the operation of our business, including through increased labor expenses. While we intend to comply with all collective bargaining agreements to which we are subject, there can be no assurances that we will be able to do so and any noncompliance could subject us to disruptions in our operations and materially and adversely affect our results of operations and financial condition.

Significant changes in actual investment return on pension assets, discount rates and other factors could affect our results of operations, equity and pension contributions in future periods.

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. Generally Accepted Accounting Principles (“GAAP”) requires

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that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and other economic conditions, which may change based on changes in key economic indicators. The most significant assumptions we use to estimate pension income or expense are the discount rate and the expected long-term rate of return on plan assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity. Although pension expense and pension funding contributions are not directly related, key economic factors that affect pension expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act of 1974, as amended.

If our goodwill, indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.

A significant portion of our long-term assets consist of goodwill, other indefinite-lived intangible assets and finite-lived intangible assets recorded as a result of past acquisitions as well as through fresh start reporting. We do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and other long-lived intangible assets might be impaired. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair value. If analysis indicates that an individual asset's carrying value does exceed its fair value, the next step is to record a loss equal to the excess of the individual asset's carrying value over its fair value.

The steps required by GAAP entail significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment and which may indicate that interim impairment testing is necessary include, but are not limited to: strategic decisions to exit a business or dispose of an asset made in response to changes in economic, political and competitive conditions; the impact of the economic environment on the customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing impairment reviews; a significant decrease in the market price of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in legal factors or the business climate that could affect our assets; an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill, indefinite-lived intangible assets or other long-term assets is determined. Any such impairment charges could have a material adverse effect on our business, financial condition and operating results.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology, products and services could be harmed significantly.

We rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products or services and harming our ability to maintain or increase our customer base.

Disruption or failures of our information technology systems could have a material adverse effect on our business.

Our information technology systems are susceptible to security breaches, operational data loss, general disruptions in functionality, and may not be compatible with new technology. We depend on our information technology systems for the effectiveness of our operations and to interface with our customers, as well as to maintain financial records and accuracy. Disruption or failures of our information technology systems could impair our ability to effectively and timely provide our services and products and maintain our financial records, which could damage our reputation and have a material adverse effect on our business.

Our acquisition and expansion strategy may not be successful.

Our growth strategy is based in part on growth through acquisitions, which poses a number of risks. We may not be successful in identifying appropriate acquisition candidates, consummating acquisitions on satisfactory terms or integrating any newly acquired or expanded business with our current operations. We may issue additional equity, incur long-term or short-term indebtedness, spend cash or use a combination of these for all or part of the consideration paid in future acquisitions or expansion of our operations. The execution of our acquisition and expansion strategy could entail repositioning or similar actions that in turn require us to record impairments, restructuring and other charges. Any such charges would reduce our earnings. We cannot guarantee that any future business acquisitions will be pursued or that any acquisitions that are pursued will be consummated.

Significant costs have been incurred and are expected to be incurred in connection with the consummation of recent and future business acquisitions and the integration of such acquired businesses with the Company into a combined company, including legal, accounting, financial advisory and other costs.

We expect to incur one-time costs in connection with integrating the operations, products and personnel of the Company and acquired businesses into a combined company, in addition to costs related directly to completing such acquisitions described below. We would expect similar costs to be incurred with any future acquisition. These costs may include expenditures for:

- employee redeployment, relocation or severance;
- integration of operations and information systems;
- combination of research and development teams and processes; and
- reorganization or closures of facilities.

In addition, we expect to incur a number of non-recurring costs associated with combining our operations with those of acquired businesses. Additional unanticipated costs may yet be incurred as we integrate our business with acquired businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of our operations with those of acquired businesses, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term. Additionally, while we expect to benefit from leveraging distribution channels and brand names among us and our acquired businesses, we cannot assure you that we will achieve such benefits.

We may not realize the anticipated benefits of, and synergies from, our business acquisitions and may become responsible for certain liabilities and integration costs as a result.

Business acquisitions involve the integration of new businesses that have previously operated independently from us. The integration of our operations with those of acquired businesses is frequently expected to result in financial and operational benefits, including increased top line growth, margins, revenues and cost savings and be accretive to earnings per share, earnings before interest, taxes, depreciation and amortization and free cash flow

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before synergies. There can be no assurance, however, regarding when or the extent to which we will be able to realize these increased top line growth, margins, revenues, cost savings or accretions to earnings per share, earnings before interest, taxes, depreciation and amortization or free cash flow or other benefits. Integration may also be difficult, unpredictable, and subject to delay because of possible company culture conflicts and different opinions on technical decisions and product roadmaps. We will often be required to integrate or, in some cases, replace, numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance, many of which may be dissimilar. In some instances, we and certain acquired businesses have served the same customers, and some customers may decide that it is desirable to have additional or different suppliers. Difficulties associated with the integration of acquired businesses could have a material adverse effect on our business.

We may also acquire partial or full ownership in businesses or may acquire rights to market and distribute particular products or lines of products. The acquisition of a business or the rights to market specific products or use specific product names may involve a financial commitment by us, either in the form of cash or equity consideration. In the case of a new license, such commitments are usually in the form of prepaid royalties and future minimum royalty payments. There is no guarantee that we will acquire businesses or product distribution rights that will contribute positively to our earnings. Anticipated synergies may not materialize, cost savings may be less than expected, sales of products may not meet expectations and acquired businesses may carry unexpected liabilities.

In addition, in connection with business acquisitions, we have assumed, and may assume in connection with future acquisitions, certain potential liabilities. To the extent such liabilities are not identified by us or to the extent the indemnifications obtained from third parties are insufficient to cover such liabilities, these liabilities could have a material adverse effect on our business.

Integrating our business with acquired businesses may divert our management's attention away from operations.

Successful integration of acquired businesses' operations, products and personnel with us may place a significant burden on our management and other internal resources. The diversion of management's attention, and any difficulties encountered in the transition and integration process, could harm our business, financial condition and operating results.

As a result of business acquisitions, we may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect our business and require us to incur substantial additional costs to recruit replacement personnel.

We are highly dependent on the continuing efforts of our senior management team and other key personnel. As a result of business acquisitions, our current and prospective employees could experience uncertainty about their future roles. This uncertainty may adversely affect our ability to attract and retain key management, sales, marketing and technical personnel. Any failure to attract and retain key personnel could have a material adverse effect on our business. In addition, we currently do not maintain "key person" insurance covering any member of our management team.

If any of our key personnel or those of our acquired businesses were to join a competitor or form a competing company, existing and potential customers or suppliers could choose to form business relationships with that competitor instead of us. There can be no assurance that confidentiality, non-solicitation, non-competition or similar agreements signed by former directors, officers, employees or stockholders of us, our acquired businesses or our transactional counterparties will be effective in preventing a loss of business.

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General customer uncertainty related to our business acquisitions could harm us.

Our customers may, in response to the announcement or consummation of a business acquisition, delay or defer purchasing decisions. If our customers delay or defer purchasing decisions, our revenues could materially decline or any anticipated increases in revenue could be lower than expected.

We are required to supply certain products and services to Stanley Black & Decker and its subsidiaries pursuant to the terms of certain supply agreements for a period of time after the completion of the HHI Business acquisition. Our provision of products and services under these agreements require us to dedicate resources of the HHI Business and may result in unfavorable results to us.

Certain products and services currently used by Stanley Black & Decker are produced and provided using equipment of the HHI Business which includes the acquired Tong Lung Metal Industry Co. Ltd. (the “TLM Business”) that we acquired or certain equipment belonging to Stanley Black & Decker and its subsidiaries that will continue to be located for a period of time after the completion of the HHI Business acquisition at facilities operated by the HHI Business and the TLM Business and maintained by us pursuant to certain specifications. We and Stanley Black & Decker entered into supply agreements (each, a “Supply Agreement”) whereby we provide Stanley Black & Decker and its subsidiaries with certain of these products and services for a period of time. This requires us to dedicate resources of the HHI Business and the TLM Business towards the provision of these products and services and may result in unfavorable results to us. These Supply Agreements are an accommodation to Stanley Black & Decker and its subsidiaries as part of the HHI Business acquisition, and the pricing of the products and services is on terms more favorable to Stanley Black & Decker and its subsidiaries than it would be in the ordinary course of business.

Risks Related to the AAG Acquisition

We face significant risks from the AAG Acquisition similar to risks generally associated with our acquisition and expansion strategy.

The AAG Acquisition subjects us to significant risks generally associated with our acquisition and expansion strategy. Significant costs have been incurred and are expected to be incurred in connection with the AAG Acquisition and our integration of AAG with our business, including legal, accounting, financial advisory and other costs. We may also not realize the anticipated benefits of, and synergies from, the AAG Acquisition and will be responsible for certain liabilities and integration costs as a result of the AAG Acquisition. As a result of the AAG Acquisition and other acquisitions, we may also not be able to retain key personnel or recruit additional qualified personnel, which could require us to incur substantial additional costs to recruit replacement personnel. General customer uncertainty, including our and AAG’s customers, related to the AAG Acquisition could also harm us. Each of these general risks for acquisition and expansion activities, which are described in more detail under “—Risks Related To Our Business,” could result in the AAG Acquisition having a material adverse effect on our business.

We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.

A limited number of the same customers represents a large percentage of our and AAG’s respective net sales. One of our largest customers accounted for approximately 23% of AAG’s net sales for the twelve months ended December 31, 2014. AAG’s next largest customer accounted for approximately 12% of net sales for the same period and no other customer accounted for more than 10% of AAG’s net sales for the same period. The success of our and AAG’s businesses depend, in part, on our ability to maintain our level of sales and product distribution through high-volume distributors, retailers, super centers and mass merchandisers.

Currently, neither we nor AAG have long-term supply agreements with a substantial number of our retail customers, including our largest customers. These high-volume stores and mass merchandisers frequently

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reevaluate the products they carry. A decision by our major customers to discontinue or decrease the amount of products purchased from us, sell a national brand on an exclusive basis or change the manner of doing business with us, could reduce our revenues and materially adversely affect our results of operations. See “—Risks Related to our Business—Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.”

A change in governmental regulations regarding the use of refrigerant gas R-134a or its potential future substitutes could have a material adverse effect on IDQ Sub’s ability to sell its aftermarket A/C products.

The refrigerant R-134a is a critical component of IDQ Sub’s aftermarket A/C products and is used in products which comprised approximately 90% of its gross sales in its fiscal year ended December 31, 2014. Older generation refrigerants such as R-12 (Freon) have been regulated for some time in the United States and elsewhere, due to concerns about their potential to contribute to ozone depletion. In recent years, refrigerants such as R-134a, which is an approved substitute for R-12, have also become the subject of regulatory focus due to their potential to contribute to global warming.

The European Union has passed regulations that require the phase out of R-134a in automotive cooling systems in new vehicles by 2017. In the United States, IDQ Sub has reported that it cannot predict what future action, if any, the EPA will take on the regulation of R-134a. But based on currently available information, it believes that it would take some time for suitable alternatives to R-134a to come into full-scale commercial production and therefore such alternatives would not be readily available for wide spread use in new car models. If the future use of R-134a is phased out or is limited or prohibited in jurisdictions in which we do business, the future market for IDQ Sub’s products containing R-134a may be limited, which could have a material adverse impact on its results of operations, financial condition, and cash flows.

In addition, regulations may be enacted governing the packaging, use and disposal of IDQ Sub’s products containing refrigerants. For example, regulations are currently in effect in California that govern the sale and distribution of products containing R-134a. While IDQ Sub has reported that it is not aware of any noncompliance with such regulations, its failure to comply with these or possible future regulations in California, or elsewhere, could result in material fines or costs or its inability to sell its products in those markets, which could have a material adverse impact on its results of operations, financial condition and cash flows. If substitutes for R-134a become widely used in A/C systems and their use for DIY and retrofit purposes are not approved by the EPA, it could have a material adverse effect on IDQ Sub’s results of operations, financial condition and cash flows. In addition, the cost of HFO-1234yf, the leading long-term alternative to R-134a being proposed in the United States and the European Union for use in the A/C systems of new vehicles, will likely be higher than that of R-134a. If HFO-1234yf becomes widely used and IDQ Sub is able to develop products using HFO-1234yf, but is unable to price its products to reflect the increased cost of HFO-1234yf, it could have a material adverse effect on its results of operations, financial condition and cash flow.

All of IDQ Sub’s products are produced at one facility, and a significant disruption or disaster at such a facility could have a material adverse effect on its results of operations.

IDQ Sub’s manufacturing facility consists of one site which is located in Garland, Texas and thus it is dependent upon the continued safe operation of this facility. Its facility is subject to various hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including human error, leaks and ruptures, explosions, floods, fires, inclement weather and natural disasters, power loss or other infrastructure failures, mechanical failure, unscheduled downtime, regulatory requirements, the loss of certifications, technical difficulties, labor disputes, inability to obtain material, equipment or transportation, environmental hazards such as remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases, and other risks. Many of these hazards could cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the

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occurrence of material operating problems at IDQ Sub's facility due to any of these hazards could cause a disruption in the production of its products. IDQ Sub may also encounter difficulties or interruption as a result of the application of enhanced manufacturing technologies or changes to production lines to improve IDQ Sub's throughput or to upgrade or repair its production lines. IDQ Sub's insurance policies have coverage in case of significant damage to its manufacturing facility but may not fully compensate IDQ Sub for the cost of replacement for any such damage and any loss from business interruption. As a result, IDQ Sub may not be adequately insured to cover losses resulting from significant damage to its manufacturing facility. Any damage to its facility or interruption in manufacturing could result in production delays and delays in meeting contractual obligations, which could have a material adverse effect on IDQ Sub's relationships with its customers and on its results of operations, financial condition or cash flows in any given period.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have made or implied certain forward-looking statements in this prospectus. All statements, other than statements of historical facts included in this prospectus, including statements regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements. When used in this prospectus, the words “anticipate,” “intend,” “plan,” “estimate,” “believe,” “expect,” “project,” “could,” “will,” “should,” “may” and similar expressions are also intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation:

- the impact of our indebtedness on our business, financial condition and results of operations;
- the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand our business strategies;
- any failure to comply with financial covenants and other provisions and restrictions of our debt instruments;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;
- our inability to successfully integrate and operate new acquisitions, including, but not limited to, the AAG Acquisition, at the level of financial performance anticipated;
- the unanticipated loss of key members of senior management;
- the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers’ willingness to advance credit;
- interest rate and exchange rate fluctuations;
- the loss of, or a significant reduction in, sales to any significant retail customer(s);
- competitive promotional activity or spending by competitors or price reductions by competitors;
- the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands;
- the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, monetary or fiscal policies in the countries where we do business;
- changes in consumer spending preferences and demand for our products;
- our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties;
- our ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings;
- the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);
- public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims;

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- the impact of pending or threatened litigation;
- changes in accounting policies applicable to our business;
- government regulations;
- the seasonal nature of sales of certain of our products;
- the effects of climate change and unusual weather activity;
- the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets; and
- various other risks and uncertainties.

Some of the above-mentioned factors are described in further detail in the section entitled “Risk Factors” set forth above. You should assume the information appearing in this prospectus is accurate only as of the date hereof or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since that date. Except as required by applicable law, including the securities laws of the U.S. and the rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

We also caution the reader that our estimates of trends, market share, retail consumption of our products and reasons for changes in such consumption are based solely on limited data available to us and our management’s reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, included elsewhere in this prospectus.

	Year Ended September 30,					Nine Months Ended June 28, 2015
	2010	2011	2012	2013	2014	
Fixed charges:						
Interest expense	277.0	208.5	192.0	369.5	202.1	206.5
Total fixed charges	277.0	208.5	192.0	369.5	202.1	206.5
Earnings						
Earnings from continuing operations before income taxes	(123.8)	17.7	113.2	(20.2)	276.1	132.0
Add:						
Fixed Charges	277.0	208.5	192.0	369.5	202.1	206.5
Total adjusted earnings	153.2	226.2	305.2	349.3	478.2	338.5
Ratio of earnings to fixed charges	0.6x	1.1x	1.6x	0.9x	2.4x	1.6x

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. In consideration for issuing the exchange notes, we will receive initial notes in a like and corresponding aggregate principal amount.

CAPITALIZATION

The following table presents our cash and cash equivalents and consolidated capitalization.

	As of June 28, 2015⁽¹⁾
	(in millions)
Cash and cash equivalents	\$ 107.2
Debt:	
Term Credit Facilities ⁽²⁾	1,847.1
Revolving Credit Facility ⁽²⁾	47.5
6.375% Senior Notes due 2020	520.0
6.625% Senior Notes due 2022	570.0
6.125% Senior Notes due 2024	250.0
5.750% Senior Notes due 2025	1,000.0
Capital leases	88.7
Other unsecured debt	79.0
Total debt	\$ 4,402.3
Total shareholders' equity	1,575.8
Total capitalization	\$ 5,978.1

(1) Balances are reflected at par.

(2) See "Description of Other Indebtedness—Credit Agreement."

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On May 21, 2015, Spectrum Brands Holdings, Inc. (“SBH”), the direct parent of SB/RH Holdings, LLC (the “Company” and, together with its consolidated subsidiaries, including Spectrum Brands, Inc., “Spectrum Brands”) completed the acquisition (the “AAG Acquisition”) of Armored AutoGroup Parent Inc. (“AAG”) pursuant to the Agreement and Plan of Merger by and among AAG, the Company, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015 for \$1.4 billion in cash. Spectrum Brands funded the AAG Acquisition with the proceeds of its initial offering of an aggregate principal amount of \$1,000 million of Spectrum Brands, Inc.’s 5.750% Senior Notes due 2025 (the “SBI 5.75% Notes”) and the registered offering of \$575 million of shares of SBH’s common stock (the “SBH Equity Offering”).

The following unaudited pro forma condensed combined financial statements for the year ended September 30, 2014, the date of the latest publicly available annual financial information for the Company, and the nine month period ended June 28, 2015, the date of the latest publicly available interim financial information for the Company, gives effect to the AAG Acquisition for such periods. The unaudited pro forma condensed combined financial statements shown below reflect historical financial information and have been prepared on the basis that the transaction will be accounted for using the acquisition method of accounting under Accounting Standards Codification Topic 805: “*Business Combinations*” (“ASC 805”). Accordingly, the assets acquired and liabilities assumed in the AAG Acquisition will be measured at their respective fair values with any excess consideration reflected as goodwill. The unaudited pro forma condensed combined financial statements presented assume that AAG is a wholly owned subsidiary of Spectrum Brands. Because the financial position data of AAG is reflected in Spectrum Brands’ Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited), included elsewhere in this prospectus, no pro forma financial position data is presented below.

The following unaudited pro forma condensed combined statements of income for the year ended September 30, 2014 and the nine month period ended June 28, 2015 are presented on a basis to reflect the AAG Acquisition and related transactions as if they had occurred on October 1, 2013. Because of different fiscal period ends, and in order to present results for comparable periods, the unaudited pro forma condensed combined statement of income for the year ended September 30, 2014 combines Spectrum Brands’ audited historical consolidated statement of income for the year then ended with the AAG audited historical consolidated statement of income information for the twelve month period ended December 31, 2014. The unaudited pro forma condensed combined statement of income for the year ended September 30, 2014 also includes the statement of income for IDQ Holdings, Inc. (“IDQ”) for the period from January 1 through March 16, 2014 as AAG acquired IDQ on March 17, 2014. The unaudited pro forma condensed combined statement of income for the nine months ended June 28, 2015 combines Spectrum Brands unaudited consolidated statement of income for the nine months ended June 28, 2015 with the AAG historical consolidated statement of income information for the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. The AAG results from October 1, 2014 through May 20, 2015 have been derived by combining the historical unaudited consolidated statement of income for the three month period ended March 31, 2015, the historical unaudited consolidated statement of income for the three month period ended December 31, 2014 and the unaudited historical financial information for the period from April 1, 2015 through May 20, 2015. As a result of the foregoing, the AAG historical unaudited consolidated statement of income for the three month period ended December 31, 2014 is included in the unaudited pro forma condensed combined financial statements for both the year ended September 30, 2014 and the nine month period ended June 28, 2015. See Note 1 to the Unaudited Pro Forma Condensed Combined Financial Statements for additional information. Pro forma adjustments are made in order to reflect the potential effect of the AAG Acquisition and related transactions on the income statement.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the notes to unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements and the notes to unaudited pro forma condensed combined financial statements are based on, and should be read in conjunction with Spectrum Brands’ historical audited and unaudited consolidated

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financial statements, and the notes thereto, and the AAG historical audited and unaudited consolidated financial statements, and the notes thereto, each included elsewhere in this prospectus.

The process of valuing the AAG tangible and intangible assets acquired and liabilities assumed, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase accounting adjustments included in the unaudited pro forma condensed combined financial statements are preliminary and have been presented solely for the purpose of providing these unaudited pro forma condensed combined financial statements. For purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands has made preliminary adjustments, where sufficient information is available to make a fair value estimate, to reflect those tangible and intangible assets acquired and liabilities assumed based on preliminary estimates of their fair value as of May 21, 2015. For those assets and liabilities where insufficient information is available to make a reasonable estimate of fair value, the unaudited pro forma condensed combined financial statements reflect the historical carrying value of those assets and liabilities at May 21, 2015. A final determination of the fair values of the assets acquired and liabilities assumed will include management's consideration of a final valuation. Spectrum Brands currently expects that the process of determining the fair values of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of the acquisition date. Material revisions to Spectrum Brands' preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The final amounts may be materially different from the information presented in these unaudited pro forma condensed combined financial statements due to a number of factors, including changes in market conditions and financial results which may impact cash flow projections used in the valuation, and the identification of additional conditions that existed as of the date of the AAG Acquisition which may impact the fair value of the AAG net assets.

Spectrum Brands and AAG's historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the AAG Acquisition; (2) factually supportable; and (3) with respect to the unaudited pro forma statements of income, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements do not reflect any revenue enhancements, cost savings from operating efficiencies, synergies or other restructurings, or the costs and related liabilities that would be incurred to achieve such revenue enhancements and cost savings, which could result from the AAG Acquisition.

The pro forma adjustments are based upon available information and assumptions that the managements of Spectrum Brands and AAG believe reasonably reflect the AAG Acquisition. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations of Spectrum Brands would have been had the AAG Acquisition occurred on the dates assumed, nor are they necessarily indicative of the future consolidated results of operations of Spectrum Brands.

SB/RH Holdings, LLC
Unaudited Pro Forma Condensed Combined Statement of Income
For the Year Ended September 30, 2014
(Unaudited)
(Amounts in millions)

	SB/RH Holdings, LLC 12 months ended September 30, 2014	Armored AutoGroup Parent, Inc. 12 months ended December 31, 2014	IDQ Holdings, Inc. January 1, 2014 through March 16, 2014	Pro Forma Adjustments	Note	Pro Forma Combined
Net sales	\$ 4,429.1	\$ 410.0	\$ 33.3	\$ —		\$ 4,872.4
Cost of goods sold	2,856.5	226.0	18.4	—	(A)	3,100.9
Restructuring and related charges	3.7	—	—	—		3.7
Gross profit	1,568.9	184.0	14.9	—		1,767.8
Selling	678.2	49.9	1.7	—		729.8
General and administrative					(B)	
	319.0	86.9	8.6	(34.3)	(C)	380.2
Research and development	47.9	2.9	—	—		50.8
Intangible asset and goodwill impairment	—	7.0	—	(7.0)	(D)	—
Acquisition and integration charges	20.1	—	—	—		20.1
Restructuring and related charges	19.2	—	—	—		19.2
Total operating expenses	1,084.4	146.7	10.3	(41.3)		1,200.1
Operating income	484.5	37.3	4.6	41.3		567.7
Interest expense	202.1	71.5	4.6	(15.0)	(E)	263.2
Other expense, net	6.3	1.3	0.2	—		7.8
Income (loss) before income taxes	276.1	(35.5)	(0.2)	56.3		296.7
Income tax expense (benefit)	59.0	(11.0)	—	2.5	(F)	50.5
Net income (loss)	217.1	(24.5)	(0.2)	53.8		246.2
Net income attributable to non-controlling interests	0.3	—	—	—		0.3
Net income (loss) attributable to Parent	\$ 216.8	\$ (24.5)	\$ (0.2)	\$ 53.8		\$ 245.9

See accompanying notes to unaudited pro forma condensed combined financial statements
(Unaudited).

SB/RH Holdings, LLC
Unaudited Pro Forma Condensed Combined Statement of Income
For the Nine Month Period Ended June 28, 2015
(Unaudited)
(Amounts in millions)

	SB/RH Holdings, LLC Nine months ended June 28, 2015	Armored AutoGroup Parent, Inc. October 1, 2014 – May 20, 2015	Pro Forma Adjustments	Note	Pro Forma Combined
Net sales	\$ 3,382.3	\$ 275.8	\$ —		\$ 3,658.1
Cost of goods sold	2,179.0	154.4	—	(A)	2,333.4
Restructuring and related charges	0.4	—	—		0.4
Gross profit	1,202.9	121.4	—		1,324.3
Selling	517.7	23.2	—		540.9
General and administrative	238.1	90.0	(56.6)	(B)(C)(G)(H)	271.5
Research and development	36.9	1.9	—		38.8
Intangible asset and goodwill impairment	—	7.0	(7.0)	(D)	—
Acquisition and integration charges	44.2	—	(17.8)	(I)	26.4
Restructuring and related charges	21.9	—	—		21.9
Total operating expenses	858.8	122.1	(81.4)		899.5
Operating income	344.1	(0.7)	81.4		424.8
Interest expense	206.5	85.2	(46.6)	(E)	245.1
Other expense, net	5.6	1.1	—		6.7
Income (loss) before income taxes	132.0	(87.0)	128.0		173.0
Income tax expense (benefit)	4.8	(11.6)	2.5	(F)	(4.3)
Net income (loss)	127.2	(75.4)	125.5		177.3
Net income attributable to non-controlling interests	0.2	—	—		0.2
Net income (loss) attributable to Parent	\$ 127.0	\$ (75.4)	\$ 125.5		\$ 177.1

See accompanying notes to unaudited pro forma condensed combined financial statements
(Unaudited).

SB/RH HOLDINGS, LLC
NOTES TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS (Unaudited)
(Amounts in millions of dollars, except for share or as otherwise specified)

(1) Conforming Interim Periods

Spectrum Brands' fiscal year end is September 30 while the AAG fiscal year end is December 31. The latest interim period for Spectrum Brands ended on June 28, 2015, and included its results for the third quarter and nine month period ended June 28, 2015, while AAG's latest interim period ended on March 31, 2015, and included its first quarter results for the three month period ended March 31, 2015. The unaudited pro forma condensed combined interim period results presented herein include the results for Spectrum Brands' latest nine month periods and AAG's results for October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. Accordingly, the AAG historical financial information for the statement of income covering the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition, has been derived by adding the unaudited results for the three month period ended March 31, 2015 to the audited results for the fiscal year ended December 31, 2014, and deducting the unaudited results for the nine months ended September 30, 2014 and adding the unaudited period from April 1, 2015 through May 20, 2015, as follows:

	12 months ended December 31, 2014 A	9 months ended September 30, 2014 B	3 months ended December 31, 2014 (A - B) = C	3 months ended March 31, 2015 D	Period from April 1, 2015 – May 20, 2015 E	October 1, 2014 through May 20, 2015 C + D + E
Net sales	\$ 410.0	\$ 341.6	\$ 68.4	\$ 119.4	\$ 88.0	\$ 275.8
Cost of goods sold	226.0	185.2	40.8	68.1	45.5	154.4
Restructuring and related charges	—	—	—	—	—	—
Gross profit	184.0	156.4	27.6	51.3	42.5	121.4
Selling(A)	49.9	41.9	8.0	8.2	7.0	23.2
General and administrative(A)	86.9	65.0	21.9	22.1	46.0	90.0
Research and development	2.9	2.1	0.8	0.7	0.4	1.9
Intangible asset and goodwill impairment	7.0	—	7.0	—	—	7.0
Total operating expenses	146.7	109.0	37.7	31.0	53.4	122.1
Operating income (loss)	37.3	47.4	(10.1)	20.3	(10.9)	(0.7)
Interest expense	71.5	52.1	19.4	19.3	46.5	85.2
Other expense, net	1.3	1.0	0.3	0.4	0.4	1.1
Income (loss) before income taxes	(35.5)	(5.7)	(29.8)	0.6	(57.8)	(87.0)
Income tax expense (benefit)	(11.0)	(0.5)	(10.5)	0.2	(1.3)	(11.6)
Net income (loss)	\$ (24.5)	\$ (5.2)	\$ (19.3)	\$ 0.4	\$ (56.5)	\$ (75.4)

(A) The reclassification of the AAG Selling, general and administrative expenses were made to conform to Spectrum Brands' presentation.

(2) Basis of Presentation

The AAG Acquisition will be accounted for under the acquisition method of accounting in accordance with ASC 805. In accounting for the transaction, Spectrum Brands will apply its historical accounting policies and recognize the assets and liabilities of AAG at their respective fair values as of May 21, 2015, the closing date of the AAG Acquisition. In preparing the unaudited pro forma condensed combined financial statements, the assets

SB/RH HOLDINGS, LLC
NOTES TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS (Unaudited)—(Continued)
(Amounts in millions of dollars, except for share or as otherwise specified)

and liabilities of AAG have been measured at their estimated fair values on a preliminary basis using estimates and assumptions that Spectrum Brands management believes are reasonable based on information currently available. Use of different estimates and judgments could yield materially different results.

For purposes of measuring the estimated fair value of the assets acquired and liabilities assumed for purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands used the guidance in ASC Topic 820, “*Fair Value Measurement and Disclosure*” (“ASC 820”), which established a framework for measuring fair values. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, under ASC 820, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, Spectrum Brands may be required to value assets of AAG at fair value measures that do not reflect Spectrum Brands’ intended use of those assets. Use of different estimates and judgments could yield different results.

(3) Significant Accounting Policies

The unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies between Spectrum Brands and AAG. Spectrum Brands is in the process of reviewing the accounting policies of AAG to ensure their conformity with those of Spectrum Brands and, as a result of that review, Spectrum Brands may identify differences between the accounting policies of the two companies, that when conformed, could have a material impact on the unaudited pro forma condensed combined financial statements. At this time, Spectrum Brands is not aware of any differences in accounting policies that would have a material impact on the unaudited pro forma condensed combined financial statements.

(4) Preliminary Consideration Transferred

The acquisition method of accounting requires that the consideration transferred in a business combination be measured at fair value as of the closing date of the AAG Acquisition. The following summarizes the preliminary consideration paid for AAG:

Cash paid to AAG shareholders and option holders	\$ 613.7
Cash paid to repay in full the AAG senior credit facilities	282.2
Assumption of AAG and IDQ Notes ^(a)	540.0
Cash paid to settle pre-acquisition costs incurred by AAG	25.5
Cash paid to escrow account for post close working capital and other adjustments	10.0
Preliminary purchase price of AAG ^(b)	<u>\$1,471.4</u>

(a) Consists of \$275.0 aggregate principal amount of Armored AutoGroup Inc.’s 9 ¼% Senior Notes due 2018, \$220.0 aggregate principal amount of IDQ Holdings, Inc.’s 11.500% Senior Secured Notes due 2017 and \$45.0 aggregate principal amount of IDQ Acquisition Corp.’s 14.00%/14.75% Senior Secured PIK Notes due 2017 (collectively, the “AAG and IDQ Notes”) assumed (cash was subsequently paid to redeem such notes on June 15, 2015, June 22, 2015 and June 22, 2015, respectively).

(b) Excludes preliminary working capital adjustments that are not finalized.

SB/RH HOLDINGS, LLC
NOTES TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS (Unaudited)—(Continued)
(Amounts in millions of dollars, except for share or as otherwise specified)

(5) Preliminary Fair Values of Net Assets Acquired

For the purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands made preliminary estimates of the fair values of the assets acquired and liabilities assumed in the AAG Acquisition. These estimates have been recognized in preparing the unaudited pro forma condensed combined financial statements and the excess of the preliminary consideration transferred (see Note 4) on an assumed acquisition date of May 21, 2015 has been reflected as goodwill. On this basis, Spectrum Brands has estimated that the amounts recorded in accounting for the AAG Acquisition would be as follows:

Preliminary purchase price of AAG	\$ 1,471.4
Less: Carrying value of net assets acquired	56.7
Less: Fair value of indefinite lived tradenames	299.0
Less: Fair value of customer relationships	66.0
Less: Fair value of developed technology	45.0
Less: Fair value of licensing arrangement	19.0
Less: Increase in net fair value of tangible assets acquired less liabilities assumed	20.0
	<u>965.7</u>
Residual goodwill	\$ 965.7
Carrying value of AAG net assets as of May 21, 2015	\$ 471.4
Plus: Settled acquired pre-acquisition debt	567.7
Less: Historical intangible assets	(461.1)
Less: Historical goodwill	(521.3)
	<u>56.7</u>
Total carrying value of net assets acquired	\$ 56.7

(6) Pro Forma Reclassifications and Adjustments for the AAG Acquisition

- (A) Spectrum Brands estimates cost of sales will increase by approximately \$15.0 during the first inventory turn subsequent to the acquisition date as a result of the sale of inventory that was written-up to fair value in purchase accounting. This cost has been excluded from the pro forma adjustments as this amount is considered non-recurring.
- (B) Adjustment reflects increased depreciation expense of \$2.0 and \$1.3, respectively, associated with the adjustment to record the AAG property, plant and equipment at fair value for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.
- (C) Adjustment reflects decreased intangible asset amortization expense of \$36.3 and \$24.0, respectively, associated with the adjustment to record the AAG intangible assets at fair value for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.
- (D) Adjustment reflects the reversal of the AAG intangible asset impairment charge recorded during the three months ended December 31, 2014, as the acquired AAG intangible assets have been reflected at fair value as of an assumed acquisition date of October 1, 2013 in preparing the unaudited pro forma condensed consolidated statements of income for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

SB/RH HOLDINGS, LLC
NOTES TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS (Unaudited)—(Continued)
(Amounts in millions of dollars, except for share or as otherwise specified)

- (E) In connection with the AAG Acquisition, Spectrum Brands issued \$1,000.0 in 5.75% Notes and incurred related issuance costs. In addition, a substantial portion of the historical AAG debt was repaid in connection with the AAG Acquisition. These changes in the combined debt structure gave rise to interest expense adjustments that resulted in a net decrease to interest expense of \$15.0 for the fiscal year ended September 30, 2014, and a net decrease of \$46.6 for the period from October 1, 2014 through May 20, 2015. The adjustments consist of the following:

	Assumed Interest Rate	Fiscal Year Ended September 30, 2014	October 1, 2014 – May 20, 2015
New SBI 5.75% Notes—USD (\$1,000.0)	5.75%	\$ 58.1	\$ 36.9
Amortization of debt issuance costs of SBI 5.75% Notes	—	2.0	1.3
Total pro forma interest expense on SBI acquisition-related debt		\$ 60.1	\$ 38.2
Less: elimination of interest expense related to prior AAG debt facilities that were repaid		(75.1)	(84.8)
Total pro forma adjustment to interest expense		\$ (15.0)	\$ (46.6)

- (F) As a result of Spectrum Brands' valuation allowance, the pro forma income adjustments do not have income tax consequences, except for the impact of the indefinite lived intangible adjustments, which resulted in the reversal of a \$2.5 income tax benefit assuming a 35% effective tax rate for each of the fiscal years ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015. The impact of all other pro forma adjustments is solely a change in deferred income taxes offset by the change in the valuation allowance.
- (G) Adjustment reflects the reversal of \$25.5 of pre-acquisition costs incurred by AAG.
- (H) Adjustment reflects the reversal of \$8.4 of pre-acquisition accelerated stock based amortization incurred by AAG in conjunction with the AAG Acquisition.
- (I) Adjustment reflects the reversal of \$17.8 of acquisition and integration charges incurred by Spectrum Brands in conjunction with the AAG Acquisition.

(7) Transaction Costs

Spectrum Brands estimates that expenses related to the AAG Acquisition will be approximately \$31.1. These costs include fees for investment banking services, advisory, legal, accounting, due diligence, tax, valuation, printing and various other services necessary to complete this transaction. In accordance with ASC 805, these fees and expenses will be charged to expense as incurred. Spectrum Brands' incurred and recorded \$17.8 of transaction costs related to the AAG Acquisition, primarily professional fees through June 28, 2015.

SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data have been derived from SB/RH Holdings' audited consolidated financial statements and SB/RH Holdings' unaudited condensed consolidated financial statements, each included elsewhere in this prospectus. SB/RH Holdings' audited Consolidated Statements of Financial Position as of September 30, 2014 and 2013; SB/RH Holdings' audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders' Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012; SB/RH Holdings' Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited) and September 30, 2014 and SB/RH Holdings' Condensed Consolidated Statements of Operations (Unaudited), Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) and Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine month periods ended June 28, 2015 and June 29, 2014 are included elsewhere in this prospectus.

The following selected financial data, which may not be indicative of future performance and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this prospectus.

	Year Ended September 30,					Nine Months Ended	
	2010	2011	2012	2013	2014	June 29, 2014	June 28, 2015
Statement of Operations Data:							
Net sales	\$2,567.0	\$3,186.9	\$3,252.4	\$4,085.6	\$4,429.1	\$ 3,250.8	\$ 3,382.3
Gross profit	921.4	1,128.9	1,115.7	1,390.3	1,568.9	1,157.9	1,202.9
Operating income ⁽¹⁾	169.1	228.7	306.1	352.9	484.5	368.4	344.1
Interest expense ⁽²⁾	277.0	208.5	192.0	369.5	202.1	151.7	206.5
Other expense, net	12.3	2.5	0.9	3.5	6.3	4.4	5.6
Reorganization items expense	3.6	—	—	—	—	—	—
Income (loss) from continuing operations before income taxes	(123.8)	17.7	113.2	(20.2)	276.1	212.3	132.0
Income tax expense ⁽³⁾	63.2	92.3	60.4	27.4	59.0	43.8	4.8
Loss from discontinued operations, net of tax ⁽⁴⁾	(2.7)	—	—	—	—	—	—
Net income (loss)	(189.8)	(74.6)	52.8	(47.5)	217.1	168.5	127.2
Less: Net income (loss) attributable to noncontrolling interest	—	—	—	(0.1)	0.3	0.2	0.2
Net income (loss) attributable to controlling interest	(189.8)	(74.6)	52.8	(47.4)	216.8	168.3	127.0
Restructuring and related charges—cost of goods sold ⁽⁵⁾	7.2	7.8	9.8	10.0	3.7	3.3	0.4
Restructuring and related charges—operating expenses ⁽⁵⁾	17.0	20.8	9.7	24.0	19.2	12.7	21.9
Cash Flow and Related Data:							
Net cash provided (used) by operating activities	\$ 57.3	\$ 232.2	\$ 252.7	\$ 258.2	\$ 434.7	\$ (49.2)	\$ (163.6)
Capital expenditures ⁽⁶⁾	40.3	36.2	46.8	82.0	73.3	50.9	49.5
Depreciation and amortization (excluding amortization of debt issuance costs) ⁽⁶⁾	117.3	134.7	129.8	183.0	202.5	143.6	154.9
Statement of Financial Position Data (at period end):							
Cash and cash equivalents	\$ 170.6	\$ 142.4	\$ 157.9	\$ 198.2	\$ 192.9		\$ 107.2
Working capital ⁽⁷⁾	537.3	412.0	454.4	524.4	502.3		996.6
Total assets	3,873.7	3,662.3	3,753.5	5,619.0	5,511.3		7,473.8
Total long-term debt, net of current maturities	1,723.1	1,535.5	1,652.9	3,115.9	2,894.1		4,294.3
Total debt	1,743.8	1,576.6	1,669.3	3,218.9	3,006.7		4,393.8
Total shareholders' equity	1,046.7	989.1	992.7	933.9	1,070.2		1,575.8

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- (1) Pursuant to the guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 350: “Intangibles-Goodwill and Other,” we conduct annual impairment testing of goodwill and indefinite-lived intangible assets. As a result of these analyses we recorded a non-cash pretax impairment charge of approximately \$32 million in Fiscal 2011. See the “Critical Accounting Policies—Valuation of Assets and Asset Impairment” section of “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as Note 2(i), “Significant Accounting Policies and Practices—Intangible Assets,” to our audited Consolidated Financial Statements and Note 2, “Significant Accounting Policies—Intangible Assets,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further details on impairment charges.
- (2) Fiscal 2014 includes a non-cash charge of \$9 million related to the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our prior term credit facility. Fiscal 2013 includes fees and expenses of \$106 million coupled with a non-cash charge of \$16 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and replacement of the 9.5% Notes and prior term credit facility in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 includes a non-cash charge of \$2 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of the 12% Notes. Fiscal 2011 includes a non-cash charge of \$24 million related to the write-off of unamortized debt issuance costs and unamortized discounts in conjunction with the refinancing of our prior term debt facility. Fiscal 2010 includes a non-cash charge of \$83 million related to the write-off of unamortized debt issuance costs and unamortized discounts and premiums in connection with the extinguishment and refinancing of debt that was completed in conjunction with the merger with Russell Hobbs.
- (3) Fiscal 2014 income tax expense of \$59 million includes a non-cash benefit of approximately \$116 million resulting from a decrease in the valuation allowance against certain net deferred taxes. Fiscal 2013 income tax expense of \$27 million includes a non-cash charge of approximately \$62 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a \$50 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 income tax expense of \$60 million includes a non-cash charge of approximately \$12 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a \$15 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator. Fiscal 2011 income tax expense of \$92 million includes a non-cash charge of approximately \$65 million resulting from an increase in the valuation allowance against certain net deferred tax assets. Fiscal 2010 income tax expense of \$63 million includes a non-cash charge of approximately \$92 million resulting from an increase in the valuation allowance against certain net deferred tax assets.
- (4) On November 5, 2008, SB Holdings’ board of directors committed to the shutdown of the growing products portion of the Home and Garden Business, which included the manufacturing and marketing of fertilizers, enriched soils, mulch and grass seed, following an evaluation of the historical lack of profitability and the projected input costs and significant working capital demands for the growing product portion of the Home and Garden Business during Fiscal 2009. During the second quarter of Fiscal 2009, we completed the shutdown of the growing products portion of the Home and Garden Business and, accordingly, began reporting the results of operations of this business as discontinued operations. Therefore, the presentation of all historical continuing operations excludes the growing products portion of the Home and Garden Business.
- (5) See Note 14, “Restructuring and Related Charges,” to SB/RH Holdings’ audited Consolidated Financial Statements and Note 12, “Restructuring and Related Charges,” to SB/RH Holdings’ Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further discussion.
- (6) Amounts reflect the results of continuing operations only.
- (7) Working capital is defined as current assets less current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following is management's discussion of the financial results, liquidity and other key items related to our performance and should be read in conjunction with "Selected Historical Financial Data" and our audited Consolidated Financial Statements and related notes included elsewhere in this prospectus. All references to Fiscal 2014, Fiscal 2013 and Fiscal 2012 refer to fiscal year periods ended September 30, 2014, 2013 and 2012, respectively. All references to Fiscal 2015 Nine Months and Fiscal 2014 Nine Months refer to the nine-month periods ended June 28, 2015 and June 29, 2014, respectively.

We are a global branded consumer products company. Spectrum Brands, Inc. is a wholly owned direct subsidiary of SB/RH Holdings, LLC, which is a direct subsidiary of Spectrum Brands Holdings, Inc. ("SB Holdings"). SB Holdings' common stock trades on the New York Stock Exchange (the "NYSE") under the symbol "SPB."

Unless the context requires otherwise, "Spectrum," "SB/RH Holdings," the "Company," "we," or "our" refers to SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries.

Business Overview

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading U.S. provider of residential locksets and builders' hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired AAG. AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 13, "Acquisitions" to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature's Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

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Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company's worldwide battery, personal care and small appliances primarily in the kitchen and home product categories ("Global Batteries & Appliances"); (ii) Hardware & Home Improvement, which consists of the Company's worldwide hardware, home improvement and plumbing business ("Hardware & Home Improvement"); (iii) Global Pet Supplies, which consists of the Company's worldwide pet supplies business ("Global Pet Supplies"); (iv) Home and Garden, which consists of the Company's home and garden and insect control business ("Home and Garden"); and (v) Global Auto Care, which consists of the Company's automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge ("Global Auto Care"). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 11, "Segment Information," to our audited Consolidated Financial Statements and Note 11, "Segment Results," to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Cost Reduction Initiatives

We continually seek to improve our operational efficiency, match our manufacturing capacity and product costs to market demand and better utilize our manufacturing resources. We have undertaken various initiatives to reduce manufacturing and operating costs.

Fiscal 2014. To reduce operating costs we implemented a series of initiatives to rationalize the international operations within our residential hardware and home improvement business, which was acquired in Fiscal 2013 (the "HHI Business"). These initiatives will include headcount reductions and the exit of certain unprofitable international business within the Hardware and Home Improvement segment (the "HHI Business Rationalization Initiatives").

Fiscal 2013. To reduce operating costs we implemented a series of initiatives throughout the Company comprised principally of headcount reductions in the Global Batteries & Appliances and Global Pet Supplies segments and within Corporate (the "Global Expense Rationalization Initiatives"). On November 3, 2014, we announced an expansion of our Global Expense Rationalization Initiatives, which consist of headcount reductions. Costs associated with the expanded initiatives, which are expected to be incurred through September 30, 2015, are currently projected to total approximately \$46,500, which include costs associated with the Global Expense Rationalization Initiatives announced in Fiscal 2013.

Fiscal 2009. In connection with our announcement of a plan to reduce headcount within each of our segments and to exit certain facilities in the U.S. related to the Global Pet Supplies segment, we implemented a number of cost reduction initiatives (the "Global Cost Reduction Initiatives"). These initiatives also included consultation, legal and accounting fees related to the evaluation of our capital structure.

Meeting Consumer Needs through Technology and Development

We continue to focus our efforts on meeting consumer needs for our products through new product development and technology innovations. Research and development efforts associated with our electric shaving and grooming products allow us to deliver to the market unique cutting systems. Research and development efforts associated with our electric personal care products allow us to deliver to our customers products that save them time, provide salon alternatives and enhance their in-home personal care options. We are continuously pursuing new innovations for our shaving, grooming and hair care products including foil and rotary shaver improvements, trimmer enhancements and technologies that deliver skin and hair care benefits.

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During Fiscal 2014, at our Home and Garden Business segment, we entered the animal repellents category with the acquisition of The Liquid Fence Company. In addition, we increased our pest repellent offerings with the Cutter Backwoods Dry Insect Repellent aerosol and the Repel Tick Defense aerosol. Continuing our pursuit of innovation, we started offering the Mulch-Lock Ready-to-Use and Mulch-Lock Concentrate, which are versatile landscaping tools that can be used to eliminate frequent groundcover maintenance and help customers save time, effort and money. We also introduced our novel, award-winning Black Flag Refillable Rat Bait Station, a reusable rodenticide product that is easy to refill. At our Global Batteries & Appliances segment, Rayovac released the Phone Boost 800 portable charging device and the car and wall USB power chargers. In addition, Rayovac introduced the Virtually Indestructible Spotlight and the Virtually Indestructible Lantern. Our Russell Hobbs brand entered the health fryer market with the new versatile Purifry and Purifry Multi. Our Black & Decker brand introduced the Mill & Brew Coffee Maker, an integrated bean grinder that allows coffee drinkers to have the freshest cup of hot coffee. Our Remington brand introduced new personal care products such as the HyperFlex rotary shaver, Vacuum Beard and Grooming kit, SmartEdge Shaver and Virtually Indestructible Hair Clipper. At our Hardware and Home Improvement segment, we launched our SmartKey re-key technology in padlocks, enhancing security and allowing homeowners to use the same key to unlock their home and their padlocks. Within our Hardware and Home Improvement segment, our Kwikset Brand launched the revolutionary Kevo Bluetooth enabled deadbolt. This is a first of a kind deadbolt that turns a smart phone into a key and allows authorized users to open their Kwikset deadbolt by simply touching the lock. Owners of Kevo can also send digital EKeys and monitor the use of their lock by downloading the Kevo app. At our Global Pet Supplies segment, we recently launched the Tetra Betta Ring, which is a designer aquarium indoor system for Betta fish with LED lighting that provides for a relaxing atmosphere. In addition, our Tetra brand introduced a breakthrough innovation for ideal water parameters with biodegradable balls. The biodegradable balls fulfill the living requirements of bacteria by consuming harmful substances with the effect of improving aquarium water quality and less algae growth.

Competitive Landscape

We compete in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, home and garden controls and auto care, which consists of the recently acquired AAG business.

The consumer battery product category consists of non-rechargeable alkaline or zinc carbon batteries in cell sizes of AA, AAA, C, D and 9-volt, specialty batteries, which include rechargeable batteries, hearing aid batteries, photo batteries and watch/calculator batteries; and portable lighting products. Most consumer batteries are marketed under one of the following brands: Rayovac/VARTA, Duracell, Energizer or Panasonic. In addition, some retailers market private label batteries, particularly in Europe. The majority of consumers in North America and Europe purchase alkaline batteries. The Latin America market consists primarily of zinc carbon batteries but is gradually converting to higher-priced alkaline batteries as household disposable income grows. Our major competitors in the consumer batteries product category are Energizer Holdings, Inc., The Procter & Gamble Company and Matsushita.

We believe that we are the largest worldwide marketer of hearing aid batteries and that we continue to maintain a leading global market position. We believe that our close relationship with hearing aid manufacturers and other customers, as well as our product performance improvements and packaging innovations, position us for continued success in this category.

Our global pet supplies business comprises aquatics equipment (aquariums, filters, pumps, etc.), aquatics consumables (fish food, water treatments and conditioners, etc.) and specialty pet products for dogs, cats, birds and other small domestic animals. The pet supply market is extremely fragmented, with no competitor holding a market share greater than twenty percent. We believe that our brand positioning, including the leading global aquatics brand in Tetra, our diverse array of innovative and attractive products and our strong retail relationships and global infrastructure will allow us to remain competitive in this fast growing industry. Our largest competitors in the pet supplies product category are Mars Corporation, The Hartz Mountain Corporation and Central Garden & Pet Company.

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Products in our home and garden category are sold through the Home and Garden Business, which operates in the U.S. market under the major brand names Spectracide, Hot Shot, Cutter, Repel, Black Flag and Garden Safe. The Home and Garden Business manufactures and markets outdoor and indoor insect control products, rodenticides, herbicides, insect repellents and lawn maintenance products. In addition, we produce and market several private-label brands for many major retailers.

The Home and Garden Business' marketing position is primarily that of a branded value, enhanced and supported by innovative products of outstanding quality and appealing packaging that is designed to drive sales at the point of purchase. Our commitment to quality and value has earned the trust of consumers and the confidence of retailers, who count on us to deliver the fast-selling products, merchandising solutions and quality service they require. The Home and Garden Business' primary competitors include The Scotts Miracle-Gro Company, Central Garden & Pet Company and S.C. Johnson & Son, Inc.

We also operate in the shaving and grooming and personal care product category, consisting of electric shavers and accessories, electric grooming products and hair care appliances. Electric shavers include men's and women's shavers (both rotary and foil design) and electric shaver accessories consisting of shaver replacement parts (primarily foils and cutters), pre-shave products and cleaning agents. Electric shavers are marketed primarily under our Remington brand. Our primary competitors in the electric shaving and grooming category are Procter & Gamble, makers of Braun, and Koninklijke Phillips Electronics N.V., makers of Norelco. Electric grooming products include beard and mustache trimmers, nose and ear trimmers, body groomers and haircut kits and related accessories. Hair care appliances include hair dryers, straightening irons, styling irons and hair-setters. Europe and North America account for the majority of our worldwide electric personal care product category sales. Our major competitors in the electric personal care product category are Conair Corporation, Wahl Clipper Corporation and Helen of Troy Limited.

The Hardware & Home Improvement segment has developed a market-leading franchise with leading brands, making it the most desired manufacturer among top home builders and major retailers. Hardware & Home Improvement is acclaimed as a market leader in the U.S. and Canadian lockset business. Competition within the industry varies based on location as well as product segment. The main source of competition for locks includes other third party manufacturers such as Schlage, a division of Ingersoll-Rand, and private label import brands such as Defiant and Gatehouse. The major U.S. competitors of Pfister, the plumbing brand sold by our Hardware & Home Improvement segment, are Masco, Fortune Brands, Kohler and American Standard. Hardware & Home Improvement also competes with The Home Depot and Lowe's private label brands.

Products in our small appliances category consist of small electrical appliances primarily in the kitchen and home product categories. Primary competitor brands in the small appliance category include Hamilton Beach, Procter Silex, Sunbeam, Mr. Coffee, Oster, General Electric, Rowenta, DeLonghi, Kitchen Aid, Cuisinart, Krups, Braun, Rival, Europro, Kenwood, Philips, Morphy Richards, Breville and Tefal.

Our auto care category consists of the recently-acquired AAG business, consisting primarily of the Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

The following factors contribute to our ability to succeed in these highly competitive product categories:

- *Strong Diversified Global Brand Portfolio.* We have a global portfolio of well-recognized consumer product brands. We believe that the strength of our brands positions us to extend our product lines and provide our retail customers with strong sell-through to consumers.
- *Strong Global Retail Relationships.* We have well-established business relationships with many of the top global retailers, distributors and wholesalers, which have assisted us in our efforts to expand our overall market penetration and promote sales.

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- *Expansive Distribution Network.* We distribute our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and Original Equipment Manufacturers.
- *Innovative New Products, Packaging and Technologies.* We have a long history of product and packaging innovations in each of our seven product categories and continually seek to introduce new products both as extensions of existing product lines and as new product categories.
- *Experienced Management Team.* Our management team has substantial consumer products experience. On average, each senior management team member has more than 20 years of experience at Spectrum, VARTA, Remington, Russell Hobbs or other branded consumer product companies such as Newell Rubbermaid and Schering-Plough.

Seasonal Product Sales

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (Spectrum's first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (Spectrum's third and fourth fiscal quarters). Demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products sold through the Home and Garden Business typically peaks during the first six months of the calendar year (Spectrum's second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for "back-to-school" sales and in the fall for the holiday season.

The seasonality of our sales during the last three fiscal years is as follows:

Percentage of Annual Sales

Fiscal Quarter Ended	Fiscal Year Ended September 30,		
	2014	2013	2012
December	25%	21%	26%
March	23%	24%	23%
June	25%	27%	25%
September	27%	28%	26%

Fiscal Quarter and Fiscal Nine Months Ended June 28, 2015 Compared to Fiscal Quarter and Fiscal Nine Months Ended June 29, 2014

In this prospectus, we refer to the three month period ended June 28, 2015 as the "Fiscal 2015 Quarter," the nine month period ended June 28, 2015 as the "Fiscal 2015 Nine Months," the three month period ended June 29, 2014 as the "Fiscal 2014 Quarter," and the nine month period ended June 29, 2014 as the "Fiscal 2014 Nine Months."

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Net Sales

Net sales for the Fiscal 2015 Quarter increased \$119.0 million to \$1,247.5 million from \$1,128.5 million in the Fiscal 2014 Quarter, an 11% increase. The following table details the principal components of the change in net sales from the Fiscal 2014 Quarter to the Fiscal 2015 Quarter (in millions):

	<u>Net Sales</u>
Fiscal 2014 Quarter Net Sales	\$1,128.5
Addition of global auto care	64.4
Increase in global pet supplies	64.4
Increase in home and garden	27.7
Increase in personal care	15.3
Increase in hardware and home improvement	11.5
Increase in small appliances	10.5
Decrease in consumer batteries	(11.2)
Foreign currency impact, net	(63.6)
Fiscal 2015 Quarter Net Sales	<u>\$1,247.5</u>

Net sales for the Fiscal Nine Months increased \$131.5 million to \$3,382.3 million from \$3,250.8 million in the Fiscal 2014 Nine Months, a 4% increase. The following table details the principal components of the change in net sales from the Fiscal 2014 Nine Months to the Fiscal 2015 Nine Months (in millions):

	<u>Net Sales</u>
Fiscal 2014 Nine Months Net Sales	\$3,250.8
Addition of global auto care	64.4
Increase in global pet supplies	117.0
Increase in home and garden	42.8
Increase in small appliances	35.1
Increase in hardware and home improvement	34.6
Increase in personal care	25.2
Decrease in consumer batteries	(31.5)
Foreign currency impact, net	(156.1)
Fiscal 2015 Nine Months Net Sales	<u>\$3,382.3</u>

Consolidated net sales by product line for the Fiscal 2015 Quarter, the Fiscal 2014 Quarter, the Fiscal 2015 Nine Months and the Fiscal 2014 Nine Months are as follows (in millions):

	<u>Fiscal Quarter</u>		<u>Fiscal Nine Months</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Product line net sales by segment				
Global batteries and appliances				
Consumer batteries	\$ 178.3	\$ 213.3	\$ 600.3	\$ 689.2
Small appliances	161.3	163.9	536.7	533.2
Personal care	119.4	117.6	402.3	412.6
Total Global batteries and appliances	\$ 459.0	\$ 494.8	\$1,539.3	\$1,635.0
Hardware and home improvement	313.5	306.9	874.1	852.2
Global pet supplies	208.3	152.2	538.8	440.7
Global auto care	64.4	—	64.4	—
Home and garden	202.3	174.6	365.7	322.9
Total net sales to external customers	<u>\$1,247.5</u>	<u>\$1,128.5</u>	<u>\$3,382.3</u>	<u>\$3,250.8</u>

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Global consumer battery sales decreased \$35.0 million, or 16%, during the Fiscal 2015 Quarter versus the Fiscal 2014 Quarter. Excluding the impact of negative foreign exchange of \$23.8 million, global consumer battery sales decreased \$11.2 million. The constant currency decrease in global consumer battery sales was primarily attributable to a decrease in North American sales of \$20.6 million, which was partially offset by an increase in European and Asia Pacific (“EURAPAC”) consumer battery sales of \$9.8 million. The North American battery decrease was due to the following: (i) \$13.5 million in alkaline batteries; (ii) \$4.1 million in specialty batteries; and (iii) \$3.0 million in lights. The decrease in North American alkaline battery sales was primarily attributable to continued competitor discounting coupled with a retail customer bankruptcy. The decrease in North American specialty batteries and lights was primarily attributable to distribution loss to a competitor at a major retailer. On a constant currency basis, the EURAPAC sales increase was primarily due to gains of \$6.3 million and \$2.3 million in alkaline and specialty batteries, respectively. The increase in EURAPAC alkaline battery sales was driven by customer gains and increased volume at existing retailers. The increase in EURAPAC specialty batteries was attributed to customer gains and higher sales volume of hearing aid batteries. EURAPAC light sales also increased \$1.2 million on a constant currency basis as a result of increased promotional activity and customer gains. Global consumer battery sales decreased \$88.9 million, or 13%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months. Excluding the impact of negative foreign exchange of \$57.4 million, global consumer battery sales decreased \$31.5 million. The constant currency decrease in global consumer battery sales was primarily attributable to the factors discussed above for the Fiscal 2015 Quarter across all geographic regions.

Small appliance sales decreased \$2.6 million, or 2%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included \$13.1 million of negative foreign exchange impact. Excluding foreign exchange, EURAPAC and North American sales increased \$6.2 million, and \$5.0 million, respectively, which were slightly tempered by modest declines in Latin America of \$0.7 million. The EURAPAC sales increase was attributable to promotions at current customers coupled with customer gains, which were partially offset by exits of unprofitable product categories. The North American sales increase was attributed to the continued success of new product launches. Small appliance sales increased \$3.5 million, or 1%, during the Fiscal 2015 Nine Months versus the Fiscal 2014 Nine Months, which included a negative foreign currency exchange impact of \$31.6 million. Excluding foreign exchange, EURAPAC and North American sales increased \$21.3 million and \$12.7 million, respectively, based on factors discussed above for the Fiscal 2015 Quarter. Latin American sales increased \$1.1 million compared to the Fiscal 2014 Nine Months resulting from new product introductions and volume gains in certain product lines.

Personal care sales increased \$1.8 million, or 2%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included \$13.5 million of negative foreign exchange impact. Excluding foreign exchange, North American, EURAPAC, and Latin American sales increased \$7.0 million, \$6.3 million and \$2.0 million, respectively. The North American sales increase was primarily a result of product display location changes at a major customer and promotional activity. The increase is also attributed to the growth in the ecommerce channel. The Latin American sales increase was primarily attributable to growth in Mexico and customer gains throughout the region. The EURAPAC sales increase was due to a combination of sales attributed to new products and continued expansion into Eastern European markets. Personal care sales decreased \$10.3 million, or 2%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months. Excluding the negative foreign currency exchange impact of \$35.5 million, personal care sales increased \$25.2 million in the Fiscal 2015 Nine Months. Excluding foreign exchange, EURAPAC, North American, and Latin American sales increased \$13.3 million, \$6.6 million, and \$5.3 million, respectively. The constant currency increases were due to factors discussed above for the Fiscal 2015 Quarter.

Hardware and home improvement sales increased \$6.6 million, or 2%, during the Fiscal 2015 Quarter, which included negative foreign exchange impact of \$4.9 million. On a constant currency basis, sales increased domestically due to gains at existing customers in security and plumbing of \$6.5 million coupled with the Tell acquisition contributing \$9.9 million during the Fiscal 2015 Quarter. The increase was partially offset by a \$1.2 million decrease in Mexico driven by lower volume and the exit of low margin categories. The gains were also

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offset by \$4.1 million resulting from exits of unprofitable categories in Canada and China, and \$2.7 million resulting from the expiration of a customer tolling arrangement. Hardware and home improvement sales increased \$21.9 million, or 3%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months, which included negative foreign exchange impacts of \$12.7 million. The change in net sales was primarily attributed to the Tell acquisition which contributed \$29.0 million during the Fiscal 2015 Nine Months, in addition to gains in other domestic security and plumbing sales of \$19.4 million, offset by decreases in Mexico, Canada, and China of \$3.4 million, \$3.2 million, and \$5.5 million, respectively, for the reasons noted above.

Global pet supplies sales increased \$56.1 million, or 37%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included negative foreign exchange impact of \$8.3 million. On a constant currency basis and including acquisitions, companion animal sales increased \$66.2 million while aquatic sales decreased \$1.8 million. The constant currency sales increase in companion animal was primarily driven by the acquisitions of Proctor & Gamble's European pet food business ("European IAMS and Eukanuba") and Salix Animal Health LLC ("Salix"), which accounted for \$66.2 million of sales during the Fiscal 2015 Quarter. The aquatics sales decline was primarily due to a reduction in promotional activity related to low margin products. Global pet supplies sales increased \$98.1 million, or 22%, during the Fiscal 2015 Nine Months versus the Fiscal 2014 Nine Months, which included a negative foreign exchange impact of \$18.9 million. On a constant currency basis and including acquisitions, companion animal sales increased \$127.3 million while aquatic sales decreased \$10.3 million, primarily due to the factors discussed above.

Home and garden sales increased \$27.7 million, or 16%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter. The sales gain was attributable to increases in repellent product sales, lawn and garden control product sales and household insect control sales of \$10.6 million, \$8.6 million and \$8.5 million, respectively. The sales increase in all three product categories was a result of distribution gains and strong point of sale activity driving replenishment orders at existing customers. The increase was also attributed to the timing of the peak season. Home and garden sales increased \$42.8 million, or 13%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months, primarily attributable to the factors discussed above coupled with the full period impact of the acquisition of The Liquid Fence Company ("Liquid Fence"), which occurred during the second quarter of our fiscal year ended September 30, 2014 ("Fiscal 2014").

Global auto care, which consists of the AAG business that was acquired on May 21, 2015, accounted for \$64.4 million of sales for both the Fiscal 2015 Quarter and Fiscal 2015 Nine Months.

Gross Profit. Gross profit and gross profit margin for the Fiscal 2015 Quarter was \$458.0 million and 36.7%, respectively, versus \$417.0 million and 37.0%, respectively, for the Fiscal 2014 Quarter. Gross profit was up primarily due to the previously discussed acquisitions during Fiscal 2015, which contributed \$54.6 million in gross profit in the Fiscal 2015 Quarter. The slight decrease in gross margin as a percentage of sales is attributable to a \$4.7 million one-time non-cash increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition of AAG.

Gross profit for the Fiscal 2015 Nine Months was \$1,202.9 million versus \$1,157.9 million for the Fiscal 2014 Nine Months. Our gross profit margin for both the Fiscal 2015 Nine Months and the Fiscal 2014 Nine Months was flat at 35.6%. Acquisition activity during the Fiscal 2015 Nine Months resulted in a \$7.7 million one-time non-cash increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisitions of AAG, Salix and European IAMS and Eukanuba. Furthermore, foreign currency exchange negatively impacted gross profit margin by 10 basis points during the Fiscal 2015 Nine Months.

Operating Expenses. Operating expenses for the Fiscal 2015 Quarter totaled \$320.6 million compared to \$267.8 million for the Fiscal 2014 Quarter. Activity from AAG accounted for a \$17.6 million increase in operating expenses. Also contributing to this increase in operating expenses was a \$21.5 million increase in Acquisition and related charges, a \$7.4 million increase in Restructuring and related charges and a \$6.0 million increase in stock based compensation expense. The \$21.5 million increase in Acquisition and integration related

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charges was primarily attributable to costs related to the continued integration of European IAMS and Eukanuba and Salix and the acquisition of AAG during the Fiscal 2015 Quarter. The increase in Restructuring and related charges was primarily due to an increase in activity related to the HHI Business Rationalization Initiatives.

Operating expenses for the Fiscal 2015 Nine Months totaled \$858.8 million compared to \$789.5 million for the Fiscal 2014 Nine Months. Activity from AAG accounted for a \$17.6 million increase in operating expenses. Also contributing to this increase in operating expenses was a \$29.7 million increase in Acquisition and related charges, a \$9.2 million increase in Restructuring and related charges and a \$6.2 million increase in stock based compensation expense. The drivers of the operating expense increases during the Fiscal 2015 Nine Months were primarily attributable to the factors discussed above for the Fiscal 2015 Quarter.

See Note 2, “Significant Accounting Policies—Acquisition and Integration Related Charges,” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Acquisition and integration related charges.

See Note 12, “Restructuring and Related Charges,” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Restructuring and related charges.

Segment Results. As discussed above, we manage our business in five reportable segments: (i) Global Batteries & Appliances; (ii) Hardware & Home Improvement; (iii) Global Pet Supplies; (vi) Home and Garden; and (v) Global Auto Care.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

All capital expenditures are related to operating segments. Variable allocations of assets are not made for segment reporting.

Financial information pertaining to our reportable segments is contained in Note 11, “Segment Results,” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) is a metric used by management and frequently used by the financial community which provides insight into an organization’s operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company’s ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our Generally Accepted Accounting Principles’ (“GAAP”) financial results and should be read in conjunction with those GAAP results.

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Below are reconciliations of GAAP Net income (loss), as adjusted, to Adjusted Earnings Before Interest and Taxes (“EBIT”) and to Adjusted EBITDA for each segment and for Consolidated SB/RH for the Fiscal 2015 Quarter, the Fiscal 2015 Nine Months, the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months:

Fiscal 2015 Quarter	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Global Auto Care	Home and Garden	Corporate / Unallocated Items(a)	Consolidated SB/RH
				(in millions)			
Net income (loss), as adjusted(a)	\$ 40.6	\$ 44.6	\$ 20.2	\$ 12.2	\$ 59.9	\$ (130.9)	\$ 46.6
Income tax expense	—	—	—	—	—	(23.8)	(23.8)
Interest expense	—	—	—	—	—	112.9	112.9
Acquisition and integration related charges	0.9	1.8	3.8	0.5	(0.8)	18.0	24.2
Restructuring and related charges	1.0	6.3	3.1	—	0.1	—	10.5
Purchase accounting fair value adjustment	—	—	—	4.7	—	—	4.7
Other(b)	—	—	—	—	—	2.1	2.1
Adjusted EBIT	\$ 42.5	\$ 52.7	\$ 27.1	\$ 17.4	\$ 59.2	\$ (21.7)	\$ 177.2
Depreciation and amortization(c)	17.6	9.9	11.3	1.8	3.2	15.2	59.0
Adjusted EBITDA	\$ 60.1	\$ 62.6	\$ 38.4	\$ 19.2	\$ 62.4	\$ (6.5)	\$ 236.2
Fiscal 2015 Nine Months	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Global Auto Care	Home and Garden	Corporate / Unallocated Items(a)	Consolidated SB/RH
				(in millions)			
Net income (loss), as adjusted(a)	\$ 166.8	\$ 115.5	\$ 35.6	\$ 12.2	\$ 88.7	\$ (291.6)	\$ 127.2
Income tax expense	—	—	—	—	—	4.8	4.8
Interest expense	—	—	—	—	—	206.5	206.5
Acquisition and integration related charges	3.5	6.3	8.2	0.5	1.3	24.4	44.2
Restructuring and related charges	6.4	7.8	7.5	—	0.3	0.3	22.3
Purchase accounting fair value adjustment	—	0.8	2.2	4.7	—	—	7.7
Other(d)	—	—	—	—	—	3.9	3.9
Adjusted EBIT	\$ 176.7	\$ 130.4	\$ 53.5	\$ 17.4	\$ 90.3	\$ (51.7)	\$ 416.6
Depreciation and amortization(c)	52.5	29.8	28.9	1.8	9.7	32.2	154.9
Adjusted EBITDA	\$ 229.2	\$ 160.2	\$ 82.4	\$ 19.2	\$ 100.0	\$ (19.5)	\$ 571.5

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Fiscal 2014 Quarter	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home and Garden	Corporate / Unallocated Items(a)	Consolidated SB/RH
	(in millions)					
Net income (loss), as adjusted(a)	\$ 44.4	\$ 48.3	\$ 22.3	\$ 47.8	\$ (84.2)	\$ 78.6
Income tax expense	—	—	—	—	20.5	20.5
Interest expense	—	—	—	—	47.3	47.3
Acquisition and integration related charges	1.3	0.4	—	0.6	0.4	2.7
Restructuring and related charges	2.6	0.6	0.5	—	—	3.7
Adjusted EBIT	\$ 48.3	\$ 49.3	\$ 22.8	\$ 48.4	\$ (16.0)	\$ 152.8
Depreciation and amortization(c)	18.7	10.5	7.9	3.2	9.2	49.5
Adjusted EBITDA	<u>\$ 67.0</u>	<u>\$ 59.8</u>	<u>\$ 30.7</u>	<u>\$ 51.6</u>	<u>\$ (6.8)</u>	<u>\$ 202.3</u>

Fiscal 2014 Nine Months	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home and Garden	Corporate / Unallocated Items(a)	Consolidated SB/RH
	(in millions)					
Net income (loss), as adjusted(a)	\$ 173.2	\$ 115.9	\$ 54.2	\$ 69.3	\$ (244.1)	\$ 168.5
Income tax expense	—	—	—	—	43.8	43.8
Interest expense	—	—	—	—	151.7	151.7
Acquisition and integration related charges	5.9	4.0	—	0.9	3.7	14.5
Restructuring and related charges	9.8	3.7	1.8	—	0.7	16.0
Adjusted EBIT	\$ 188.9	\$ 123.6	\$ 56.0	\$ 70.2	\$ (44.2)	\$ 394.5
Depreciation and amortization(c)	53.4	31.2	23.6	9.4	26.0	143.6
Adjusted EBITDA	<u>\$ 242.3</u>	<u>\$ 154.8</u>	<u>\$ 79.6</u>	<u>\$ 79.6</u>	<u>\$ (18.2)</u>	<u>\$ 538.1</u>

- (a) It is our policy to record Income tax expense and Interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments and are presented within Corporate / Unallocated Items.
- (b) Included in other are costs associated with a transition agreement with a key executive.
- (c) Included within depreciation and amortization is amortization of stock based compensation.
- (d) Included in other are costs associated with onboarding for a key executive coupled with costs associated with a transition agreement with another key executive.

Global Batteries & Appliances

	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
	(in millions)			
Net sales to external customers	\$ 459.0	\$ 494.8	\$1,539.3	\$1,635.0
Segment profit	\$ 42.1	\$ 49.1	\$ 180.4	\$ 190.6
Segment profit as a % of net sales	9.2%	9.9%	11.7%	11.7%
Segment Adjusted EBITDA	\$ 60.1	\$ 67.0	\$ 229.2	\$ 242.3
Assets as of June 28, 2015 and September 30, 2014	\$2,093.7	\$2,152.0	\$2,093.7	\$2,152.0

Global Batteries & Appliances net sales to external customers are discussed within the “Product line net sales by segment” discussion above.

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Segment profit in the Fiscal 2015 Quarter decreased to \$42.1 million from \$49.1 million in the Fiscal 2014 Quarter, driven by the previously discussed net sales decrease which was partially tempered by product cost improvement initiatives. Segment profitability as a percentage of net sales decreased to 9.2% in the Fiscal 2015 Quarter compared to 9.9% in the Fiscal 2014 Quarter as a result of unfavorable manufacturing variances and foreign currency translation, which was partially tempered by previously discussed cost improvement initiatives.

Segment profit in the Fiscal 2015 Nine Months decreased to \$180.4 million from \$190.6 million in the Fiscal 2014 Nine Months, driven by decreased net sales offset by operating cost improvements as discussed for the Fiscal 2015 Quarter. Segment profitability as a percentage of net sales remained flat at 11.7% in the Fiscal 2015 Nine Months versus Fiscal 2014 Nine Months.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter decreased to \$60.1 million from \$67.0 million in the Fiscal 2014 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months decreased to \$229.2 million from \$242.3 million in the Fiscal 2014 Nine Months. The decrease in segment Adjusted EBITDA for both periods was driven by the factors that drove the decrease in segment profit discussed above for each respective period.

Segment assets at June 28, 2015 decreased to \$2,093.7 million from \$2,152.0 million at September 30, 2014. The decrease was primarily due to the decrease of \$56.7 million in intangible assets as a result of amortization of definite lived intangible assets and foreign currency impact.

Hardware & Home Improvement

	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
	(in millions)			
Net sales to external customers	\$ 313.5	\$ 306.9	\$ 874.1	\$ 852.2
Segment profit	\$ 53.7	\$ 50.7	\$ 129.9	\$ 125.5
Segment profit as a % of net sales	17.1%	16.5%	14.9%	14.7%
Segment Adjusted EBITDA	\$ 62.6	\$ 59.8	\$ 160.2	\$ 154.8
Assets as of June 28, 2015 and September 30, 2014	\$1,708.9	\$1,629.0	\$1,708.9	\$1,629.0

Hardware and home improvement net sales to external customers are discussed within the “Product line net sales by segment” discussion above.

Segment profit in the Fiscal 2015 Quarter increased to \$53.7 million from \$50.7 million in the Fiscal 2014 Quarter. Segment profitability as a percentage of net sales increased to 17.1% in the Fiscal 2015 Quarter, versus 16.5% in the Fiscal 2014 Quarter. The increase in segment profit was driven by the previously discussed net sales increase, while the increase in segment profit as a percentage of net sales is attributed to product cost improvement programs and expense control.

Segment profit in the Fiscal 2015 Nine Months increased to \$129.9 million from \$125.5 million in the Fiscal 2014 Nine Months. Segment profitability as a percentage of net sales was 14.9% in the Fiscal 2015 Nine Months and 14.7% in the Fiscal 2014 Nine Months. The increase in segment profit and increase in segment profitability as a percentage of net sales was driven by the factors discussed above for the Fiscal 2015 Quarter.

Segment Adjusted EBITDA was \$62.6 million in the Fiscal 2015 Quarter versus \$59.8 million in the Fiscal 2014 Quarter. The increase in Segment Adjusted EBITDA was due to the previously discussed increase in net sales. Segment Adjusted EBITDA was \$160.2 million in the Fiscal 2015 Nine Months versus \$154.8 million in the Fiscal 2014 Nine Months. The increase in Segment Adjusted EBITDA for this period was driven by the increased sales and cost savings discussed above.

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Segment assets at June 28, 2015 and September 30, 2014 were \$1,708.9 million and \$1,629.0 million, respectively. The increase in segment assets was primarily driven by a seasonal increase in accounts receivable and inventory of \$89.4 million and the Tell acquisition, offset by depreciation and amortization.

Global Pet Supplies

	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
	(in millions)			
Net sales to external customers	\$ 208.3	\$152.2	\$ 538.8	\$440.7
Segment profit	\$ 28.0	\$ 22.9	\$ 52.3	\$ 56.5
Segment profit as a % of net sales	13.4%	15.0%	9.7%	12.8%
Segment Adjusted EBITDA	\$ 38.4	\$ 30.7	\$ 82.4	\$ 79.6
Assets as of June 28, 2015 and September 30, 2014	\$1,156.4	\$890.4	\$1,156.4	\$890.4

Global pet supply net sales to external customers are discussed within the “Product line net sales by segment” discussion above.

Segment profit increased to \$28.0 million in the Fiscal 2015 Quarter compared to \$22.9 million in the Fiscal 2014 Quarter and segment profitability as a percentage of net sales in the Fiscal 2015 Quarter decreased to 13.4% from 15.0% in the Fiscal 2014 Quarter. The increase in segment profit was driven by the previously discussed net sales increase, while the decrease in segment profit as a percentage of net sales is attributed to the lower profit margins of an acquired business.

Segment profit decreased to \$52.3 million in the Fiscal 2015 Nine Months compared to \$56.5 million in the Fiscal 2014 Nine Months. Segment profitability as a percentage of net sales in the Fiscal 2015 Nine Months decreased to 9.7% from 12.8% in the Fiscal 2014 Nine Months. The decreases in segment profit and segment profitability as a percent of net sales were driven by the factors discussed above for the Fiscal 2015 Quarter.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter increased to \$38.4 million from \$30.7 million in the Fiscal 2014 Quarter. The increase in Segment Adjusted EBITDA was primarily due a combined increase of \$7.5 million from the Salix and European IAMS and Eukanuba acquisitions tempered by the factors discussed above for the decrease in segment profit for the Fiscal 2015 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months increased to \$82.4 million from \$79.6 million in the Fiscal 2014 Nine Months. The increase in segment Adjusted EBITDA was driven by the combined increase in Adjusted EBITDA of \$15.2 million from the Salix and European IAMS and Eukanuba acquisitions, which was more than offset by the factors that drove the decrease in segment profit discussed above.

Segment assets at June 28, 2015 increased to \$1,156.4 million from \$890.4 million at September 30, 2014. The increase in segment assets was primarily attributable to the acquisitions of Salix and European IAMS and Eukanuba during the Fiscal 2015 Nine Months. Goodwill and intangible assets increased to \$797.2 million at June 28, 2015 from \$668.7 million at September 30, 2014.

See Note 13, “Acquisitions,” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Acquisitions.

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	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
	(in millions)			
Net sales to external customers	\$202.3	\$174.6	\$365.7	\$322.9
Segment profit	\$ 59.3	\$ 48.4	\$ 90.4	\$ 70.2
Segment profit as a % of net sales	29.3%	27.7%	24.7%	21.7%
Segment Adjusted EBITDA	\$ 62.4	\$ 51.6	\$100.0	\$ 79.6
Assets as of June 28, 2015 and September 30, 2014	\$594.8	\$526.6	\$594.8	\$526.6

Home and Garden net sales to external customers are discussed within the “Product line net sales by segment” discussion above.

Segment profitability in the Fiscal 2015 Quarter increased to \$59.3 million from \$48.4 million in the Fiscal 2014 Quarter. Segment profitability as a percentage of net sales in the Fiscal 2015 Quarter increased to 29.3% from 27.7% last year. The increase in segment profit and segment profitability as a percentage of net sales is attributable to the increase in net sales to external customers as discussed within “Product line net sales by segment” above, coupled with product cost improvements initiatives.

Segment profitability in the Fiscal 2015 Nine Months increased to \$90.4 million from \$70.2 million in the Fiscal 2014 Nine Months, driven by increased sales in the Fiscal 2015 Nine Months from Liquid Fence acquisition that closed in the second quarter of Fiscal 2014, and product cost improvements. Segment profitability as a percentage of net sales in the Fiscal 2015 Nine Months increased to 24.7%, from 21.7% in the Fiscal 2014 Nine Months due to factors discussed for the increase in segment profit.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter increased to \$62.4 million from \$51.6 million in the Fiscal 2014 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months increased to \$100.0 million from \$79.6 million in the Fiscal 2014 Nine Months. The increases in segment Adjusted EBITDA for both periods were driven by the factors discussed above for the increase in segment profit and segment profitability.

Segment assets at June 28, 2015 increased to \$594.8 million from \$526.6 million at September 30, 2014. The increase in segment assets was driven by normal seasonal increases in inventory in preparation of our major selling season. Goodwill and intangible assets decreased to \$441.2 million at June 28, 2015 from \$449.2 million at September 30, 2014, due to amortization of definite lived intangible assets.

Global Auto Care

	Fiscal Quarter	Fiscal Nine Months
	2015	2015
	(in millions)	
Net sales to external customers	\$ 64.4	\$ 64.4
Segment profit	\$ 12.8	\$ 12.8
Segment profit as a % of net sales	19.9%	19.9%
Segment Adjusted EBITDA	\$ 19.2	\$ 19.2
Assets as of June 28, 2015	\$ 1,658.4	\$ 1,658.4

Results of the AAG business, reported as a separate business segment, Global Auto Care, relate to operations subsequent to the acquisition date, May 21, 2015.

Global Auto Care net sales to external customers are discussed within the “Product line net sales by segment” discussion above.

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Corporate Expense. Our corporate expense was \$23.7 million in the Fiscal 2015 Quarter compared to \$15.4 million in the Fiscal 2014 Quarter. The \$8.3 million increase in corporate expense is primarily attributable to an increase of \$6.0 million in stock compensation expense coupled with a \$2.1 million expense related to a transition and retention agreement entered into with a key executive. Corporate expense as a percentage of consolidated net sales increased to 1.9% in the Fiscal 2015 Quarter compared to 1.4% in the Fiscal 2014 Quarter based on the factors discussed above.

Our corporate expense was \$55.2 million in the Fiscal 2015 Nine Months compared to \$44.0 million in the Fiscal 2014 Nine Months, and corporate expense as a percentage of consolidated net sales increased to 1.6% in the Fiscal 2015 Nine Months compared to 1.4% in the Fiscal 2014 Nine Months. The increase in corporate expense and corporate expense as a percentage of net sales is primarily attributable to the factors discussed above for the Fiscal 2015 Quarter.

Acquisition and Integration Related Charges. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2, “Significant Accounting Policies—Acquisition and Integration Related Charges” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for further detail regarding our Acquisition and integration related charges.

Restructuring and Related Charges. See Note 12, “Restructuring and Related Charges” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for information regarding our restructuring and related charges.

Interest Expense. On May 20, 2015, in connection with the acquisition of AAG, we issued \$1,000.0 million aggregate principal amount of 5.75% unsecured notes due 2025 (the “5.75% Notes”). On June 23, 2015, we (i) entered into Term Loan facilities pursuant to a senior credit agreement (the “Senior Credit Agreement”) which consist of a \$1,450.0 million U.S. dollar denominated term loan facility due June 23, 2022 (the “U.S. USD Term Loan”), a CAD\$75.0 million Canadian dollar denominated term loan facility due June 23, 2022 (the “CAD Term Loan”) and a €300.0 million Euro denominated term loan facility due June 23, 2022 (the “Euro Term Loan”) (together, the “Term Loan”) and (ii) entered into a \$500.0 million cash flow revolving credit facility due June 23, 2022 pursuant to the Senior Credit Agreement (the “Revolver Facility”). The proceeds from the Term Loan facilities and draws on the Revolver Facility were used to repay our then-existing senior term credit facility (the “Prior Term Loan”), repay our outstanding 6.75% senior unsecured notes due 2020 (the “6.75% Notes”), repay and replace our then-existing asset based revolving loan facility (the “Prior Revolver Facility”), and to pay fees and expenses in connection with the refinancing and for general corporate purposes.

Interest expense in the Fiscal 2015 Quarter was \$112.9 million compared to \$47.3 million in the Fiscal 2014 Quarter. The \$65.6 million increase in interest expense in the Fiscal 2015 Quarter was driven primarily by \$58.8 million of one-time costs incurred related to the financing of the acquisition of AAG and the refinancing of our debt structure discussed above and additional interest expense on debt issued in conjunction with the acquisitions of Tell, European IAMS and Eukanuba and Salix in the first half of Fiscal 2015. Interest expense incurred in conjunction with the AAG Acquisition included \$14.1 million of costs related to bridge financing commitments and \$4.5 million of costs related to interest on the acquired AAG senior notes from the date of the acquisition through the time of payoff in June 2015.

Expenses related to the refinancing of the Term Loan, Revolver Facility and redemption of the 6.75% Notes included: (i) \$16.9 million of cash costs related to the call premium and pre-paid interest on the 6.75% Notes; (ii) \$4.1 million of non-cash costs for the write off of unamortized deferred financing fees on the 6.75% Notes; (iii) \$10.4 million of cash costs related to fees associated with the refinancing of the Term Loan; and (iv) \$8.8 million of non-cash costs for the write off of unamortized deferred financing fees and original issue

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discount on the Prior Term Loan and Prior Revolver Facility. See Note 6, “Debt,” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our outstanding debt.

Interest expense in the Fiscal 2015 Nine Months was \$206.5 million compared to \$151.7 million in the Fiscal 2014 Nine Months. The \$54.8 million increase in interest expense in the Fiscal 2015 Nine Months is primarily driven by the \$58.8 million of one-time costs incurred in the Fiscal 2015 Quarter described above and the previously discussed debt incurred to finance acquisitions during the first half of Fiscal 2015. See Note 6, “Debt,” to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our outstanding debt.

Income Taxes. Our effective tax rates for the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months were (104%) and 4%, respectively. Our effective tax rate for both the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months was 21%. Our effective tax rates differ from the U.S. federal statutory rate of 35% principally due to (i) income earned outside the U.S. that is subject to statutory rates lower than 35%, (ii) the release of valuation allowance on U.S. net operating loss deferred tax assets offsetting tax expense on both U.S. pretax income and foreign income not permanently reinvested, and (iii) deferred income tax expense related to the change in book versus tax basis of indefinite-lived intangibles, which are amortized for tax purposes but not for book purposes. Additionally, we recorded a tax benefit of \$31.4 million for both the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months from the reversal of a portion of the U.S. valuation allowance on deferred tax assets as a result of the AAG Acquisition. For the Fiscal 2015 Nine Months, we recorded a tax charge of \$3.6 million to establish a valuation allowance against certain deferred tax assets related to our Brazil operations, since it is more likely than not that we will not obtain tax benefits from these assets. For the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months, the tax rate was reduced due to a favorable Mexican tax law change.

We are not treating current and certain prior year earnings as permanently reinvested, except for jurisdictions where repatriation is either precluded or restricted by law. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards, we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the recording of U.S. tax on foreign earnings not considered permanently reinvested might have a material effect on our effective tax rate. By the end of our fiscal year ending September 30, 2015, we expect to record approximately \$2.6 million of additional tax liability from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings, and also expect to record \$16.7 million of U.S. tax on future repatriation that would be offset by operating losses.

During our fiscal year ending September 30, 2014, we earned domestic pretax book income after having generated significant domestic book and tax losses since our fiscal year ended September 30, 1997. We generated a domestic tax loss during the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months. Should we generate domestic pretax profits in the near-term, there is a reasonable possibility that some or most of the domestic valuation allowance could be released, which could result in a material tax benefit. We estimate that \$123.4 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic income generated due to prior period ownership changes that limit the amount of NOLs we can use. Additionally, we expect that \$5.1 million of valuation allowance corresponding to capital losses created by the sale of the Fanal business in the Fiscal 2015 Quarter cannot be released because we do not expect to generate sufficient capital gains in the carryforward period.

Fiscal Year Ended September 30, 2014 Compared to Fiscal Year Ended September 30, 2013

Highlights of Consolidated Operating Results

Net Sales. Net sales for Fiscal 2014 increased \$343 million to \$4,429 million from \$4,086 million in Fiscal 2013, an 8% increase. The following table details the principal components of the change in net sales from Fiscal 2013 to Fiscal 2014 (in millions):

	<u>Net Sales</u>
Fiscal 2013 Net Sales	\$ 4,086
Increase in hardware and home improvement products	296
Increase in home and garden products	42
Increase in consumer batteries	28
Increase in electric personal care products	10
Increase in electric shaving and grooming products	2
Decrease in small appliances	(4)
Decrease in pet supplies	(23)
Foreign currency impact, net	(8)
Fiscal 2014 Net Sales	<u>\$ 4,429</u>

Consolidated product line net sales by segment for Fiscal 2014 and Fiscal 2013 were as follows (in millions):

Product line net sales by segment	<u>Fiscal Year</u>	
	<u>2014</u>	<u>2013</u>
Global batteries and appliances		
Consumer batteries	\$ 958	\$ 932
Small appliances	731	740
Electric shaving and grooming products	278	277
Electric personal care products	264	255
Total Global batteries and appliances	<u>\$2,231</u>	<u>\$2,204</u>
Hardware and home improvement	1,166	870
Global pet supplies	600	622
Home and garden	432	390
Total net sales to external customers	<u>\$4,429</u>	<u>\$4,086</u>

Global consumer battery sales increased \$26 million, or 3%, during Fiscal 2014 compared to Fiscal 2013. Excluding the impact of negative foreign exchange of \$2 million, global consumer battery sales increased \$28 million. The constant currency increase in global consumer battery sales was attributable to increases in European and Latin American consumer battery sales of \$24 million and \$10 million, respectively, partially offset by a decrease in North American consumer battery sales of \$6 million. The increase in European and Latin American sales were a result of retailer distribution gains, new customers and products, successful promotion activities and geographic expansion. The decrease in North America was primarily driven by the non-recurrence of approximately \$10 million of flashlight sales in North America related to storm activity in the first quarter of Fiscal 2013.

Small appliance sales decreased \$9 million, or 1%, during Fiscal 2014 versus Fiscal 2013. Excluding the negative foreign exchange impact of \$5 million, small appliances decreased \$4 million. Excluding foreign exchange impacts, North American sales declined \$20 million, which was tempered by gains in Europe and Latin America of \$13 million and \$2 million, respectively. The North American sales declines were due to our exit of low-margin promotions in Fiscal 2014. The European and Latin American sales gains were attributable to promotions with existing retailers during Fiscal 2014, coupled with innovative new product launches.

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Electric shaving and grooming product sales increased \$1 million, or 1%, during Fiscal 2014 compared to Fiscal 2013. Excluding the impact of negative foreign exchange of \$1 million, electric shaving and grooming product sales increased \$2 million. The constant currency increase was attributable to European and Latin American sales gains of \$5 million and \$1 million, respectively, offset by a \$4 million decline in North American sales. The gains in Europe and Latin America were due to innovative new product launches, promotional activities and expansion into new channels. The decrease in North America was due to the non-recurrence of promotions during the first quarter of Fiscal 2013 and customer inventory management.

Electric personal care sales increased \$9 million, or 4%, in Fiscal 2014 versus Fiscal 2013. Geographically, excluding the impact of negative foreign exchange of \$1 million, sales increased \$5 million in Latin America, \$3 million in Europe and \$2 million in North America. Latin American sales gains were attributable to volume expansion in Colombia, successful hair care accessories product launches throughout Central America, distribution gains in Brazil and increased promotional activities. The increase in both European and North American sales was driven by innovative new products and successful promotions.

Hardware and home improvement sales increased \$296 million, or 34%, during Fiscal 2014 compared to Fiscal 2013. On a proforma basis, as if the acquisition of the HHI Business had occurred at the beginning of the Fiscal 2013, hardware and home improvement sales increased \$104 million, or 10%, to \$1,166 million in Fiscal 2014 versus \$1,062 million in Fiscal 2013. This increase was attributable to the residential security category which accounted for \$91 million of the increase due to strong retail positioning in North America coupled with the continued recovery of the U.S. housing market. The plumbing category increased \$17 million while the hardware product category decreased \$2 million. The plumbing product category increased due to growth in the U.S. from both retail and non-retail channels. Also contributing to the Fiscal 2014 sales increase were sales related to the Tong Lung Metal Industry Co. Ltd., a Taiwan Corporation (the "TLM Business"), as prior year results did not include the TLM Business until April 8, 2013.

Global pet supplies sales decreased \$22 million, or 4%, during Fiscal 2014 versus Fiscal 2013, which included a positive foreign currency exchange impact of \$1 million. Excluding foreign exchange impacts, aquatic sales and companion animal sales decreased \$19 million and \$4 million, respectively. The decline in aquatic sales was driven by lower kit and equipment sales in North America and lower aquatic food sales internationally coupled with a one-time negative impact from product registration issues in Russia during the third and fourth quarter of Fiscal 2014. The decline in companion animal sales was driven by adverse weather in North America, which negatively affected retail store traffic during the second quarter of Fiscal 2014, and the non-recurrence of companion animal promotions that took place during the first quarter of Fiscal 2013.

Home and garden product sales increased \$42 million, or 11%, in Fiscal 2014 versus Fiscal 2013. The sales gains were attributable to increases in repellent product sales and lawn and garden control sales of \$23 million and \$20 million, respectively. The repellent product sales increase was driven by market share gains, the extended selling season due to favorable weather and a \$13 million increase due to the acquisition of The Liquid Fence Company, Inc. ("Liquid Fence") on January 2, 2014. The increase in lawn and garden control sales was primarily driven by distribution gains at key retailers and the extended selling season discussed above. These gains were partially offset by a slight decline in household insect control sales of \$1 million.

Gross Profit. Gross profit and gross profit margin for Fiscal 2014 was \$1,569 million and 35.4% versus \$1,390 million and 34.0%, respectively, for Fiscal 2013. The increase in gross profit and improvement in gross profit margin was primarily attributable to an increase in sales, particularly the shift towards higher margin sales, and continuing cost improvements. In addition, the increase in gross profit margin was driven by the non-recurrence of a \$31 million increase to cost of goods sold due to the sale of inventory during Fiscal 2013 that was revalued in connection with the acquisition of the HHI Business.

Operating Expenses. Operating expenses for Fiscal 2014 totaled \$1,084 million compared to \$1,037 million for Fiscal 2013. The \$47 million increase in operating expenses during Fiscal 2014 is primarily attributable to an

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increase of \$76 million in Selling and General and administrative expenses as a result of increased sales partially offset by a \$28 million decrease in Acquisition and integration related charges as a result of the HHI Business acquisition in Fiscal 2013.

See Note 2(u), “Significant Accounting Policies and Practices—Acquisition and Integration Related Charges,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

Segment Results. As discussed above, we manage our business in four reportable segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden Business; and (iv) Hardware & Home Improvement.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

Financial information pertaining to our reportable segments is contained in Note 11, “Segment Information,” to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) is a metric used by management and frequently used by the financial community which provides insight into an organization’s operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company’s ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our U.S. Generally Accepted Accounting Principles’ (“GAAP”) financial results and should be read in conjunction with those GAAP results.

Below are reconciliations of GAAP Net income, as adjusted, to Adjusted Earnings Before Interest and Taxes (“Adjusted EBIT”) and to Adjusted EBITDA for each segment and for Consolidated SB/RH Holdings for Fiscal 2014 and Fiscal 2013:

Fiscal 2014	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items(a)	Consolidated SB/RH Holdings
	(in millions)					
Net income (loss), as adjusted(a)	\$ 235	\$ 79	\$ 88	\$ 157	\$ (342)	\$ 217
Income tax expense	—	—	—	—	59	59
Interest expense	—	—	—	—	202	202
Acquisition and integration related charges	8	—	1	4	7	20
Restructuring and related charges	11	3	—	8	1	23
Other(b)	—	—	—	—	1	1
Adjusted EBIT	<u>\$ 254</u>	<u>\$ 82</u>	<u>\$ 89</u>	<u>\$ 169</u>	<u>\$ (72)</u>	<u>\$ 522</u>
Depreciation and amortization(c)	73	31	13	40	46	203
Adjusted EBITDA	<u>\$ 327</u>	<u>\$ 113</u>	<u>\$ 102</u>	<u>\$ 209</u>	<u>\$ (26)</u>	<u>\$ 725</u>

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Fiscal 2013	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items(a)	Consolidated SB/RH Holdings
	(in millions)					
Net income (loss), as adjusted(a)	\$ 214	\$ 77	\$ 78	\$ 75	\$ (491)	\$ (47)
Pre-acquisition earnings of HHI(d)	—	—	—	30	—	30
Income tax expense	—	—	—	—	27	27
Interest expense	—	—	—	—	370	370
Acquisition and integration related charges	6	2	—	7	33	48
Restructuring and related charges	15	11	1	6	1	34
HHI Business inventory fair value adjustment	—	—	—	31	—	31
Venezuela devaluation	2	—	—	—	—	2
Adjusted EBIT	\$ 237	\$ 90	\$ 79	\$ 149	\$ (60)	\$ 495
Depreciation and amortization(c)	67	30	11	32	43	183
Adjusted EBITDA	\$ 304	\$ 120	\$ 90	\$ 181	\$ (17)	\$ 678

- (a) It is the Company's policy to record Income tax expense and Interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments and are presented within Corporate / Unallocated Items.
- (b) Included in other are costs associated with onboarding for a key executive.
- (c) Included within depreciation and amortization is amortization of stock based compensation.
- (d) The Pre-acquisition earnings of HHI do not include the TLM Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company's operating results.

Global Batteries & Appliances

	Fiscal Year	
	2014	2013
Net sales to external customers	\$2,231	\$2,204
Segment profit	\$ 257	\$ 238
Segment profit as a % of net sales	11.5%	10.8%
Segment Adjusted EBITDA	\$ 327	\$ 304
Assets as of September 30	\$2,152	\$2,361

Global Batteries and Appliances net sales to external customers are discussed in the "Product line net sales by segment" discussion above.

Segment profit in Fiscal 2014 increased to \$257 million from \$238 million in Fiscal 2013. Segment profitability as a percentage of net sales increased slightly to 11.5% in Fiscal 2014 versus 10.8% in Fiscal 2013. The increase in segment profit and segment profitability as a percentage of net sales were primarily attributable to increased sales and cost improvements, which were partially offset by unfavorable product mix and pricing pressures in the U.S. and Europe.

Segment Adjusted EBITDA in Fiscal 2014 increased to \$327 million from \$304 million in Fiscal 2013. The increase in segment Adjusted EBITDA was driven by the factors discussed above.

Segment assets at September 30, 2014 decreased to \$2,152 million from \$2,361 million at September 30, 2013. The decrease in segment assets of \$209 million is primarily due to the transfer of \$147 million in cash and cash equivalents from our Global Batteries and Appliances segment to Corporate, coupled with a decrease of \$49

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million in intangible assets. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to \$1,272 million at September 30, 2014 from \$1,322 million at September 30, 2013 due to amortization of intangible assets, coupled with negative foreign exchange impacts.

Hardware & Home Improvement

	Fiscal Year	
	2014	2013
Net sales to external customers	\$1,166	\$ 870
Segment profit	\$ 172	\$ 89
Segment profit as a % of net sales	14.8%	10.2%
Segment Adjusted EBITDA	\$ 209	\$ 181
Assets as of September 30	\$1,629	\$1,736

Results of the HHI Business, reported in the Hardware & Home Improvement segment, relate to operations subsequent to the acquisition date of December 17, 2012. A portion of the HHI Business, consisting of the TLM Business, is included in the results of the Hardware and Home Improvement segment subsequent to its acquisition on April 8, 2013.

Hardware and home improvement net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

Segment profit increased \$83 million to \$172 million in Fiscal 2014 compared to \$89 million Fiscal 2013. Segment profitability as a percentage of net sales was 14.8% in Fiscal 2014 and 10.2% in Fiscal 2013. The increase in segment profit was primarily driven by the inclusion of the HHI Business for the entire Fiscal 2014. Furthermore, the increase in segment profit and segment profit as a percentage of net sales was driven by the increase in sales and cost improvements, coupled with the non-recurrence of a \$31 million increase to cost of goods sold in Fiscal 2013 which related to the sale of inventory revalued in connection with the acquisition.

Segment Adjusted EBITDA was \$209 million in Fiscal 2014 compared to \$181 million in Fiscal 2013. The increase in Segment Adjusted EBITDA were driven by the increased sales, cost improvements and other factors discussed above.

Segment assets at September 30, 2014 decreased to \$1,629 million from \$1,736 million at September 30, 2013. The decrease of \$107 million is primarily due to the transfer of \$35 million in cash and cash equivalents from our Hardware and Home Improvement segment to Corporate, coupled with a decrease in intangible assets and property, plant and equipment of \$21 million and \$14 million, respectively, principally due to depreciation and amortization recognized in Fiscal 2014.

Global Pet Supplies

	Fiscal Year	
	2014	2013
Net sales to external customers	\$ 600	\$ 622
Segment profit	\$ 82	\$ 91
Segment profit as a % of net sales	13.7%	14.6%
Segment Adjusted EBITDA	\$ 113	\$ 120
Assets as of September 30	\$ 890	\$ 949

Global Pet Supply net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

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Segment profit decreased \$9 million to \$82 million in Fiscal 2014 compared to \$91 million in Fiscal 2013 and segment profitability as a percentage of net sales in Fiscal 2014 decreased to 13.7%, compared to 14.6% in Fiscal 2013. The decrease in segment profit and profitability as a percentage of net sales was primarily driven by decreased sales and unfavorable product mix in Fiscal 2014 as compared to Fiscal 2013, which was partially offset by cost improvements in manufacturing and sourcing.

Segment Adjusted EBITDA in Fiscal 2014 decreased \$7 million to \$113 million from \$120 million in Fiscal 2013. The decrease in Adjusted EBITDA was driven by the factors discussed above for segment profit.

Segment assets at September 30, 2014 decreased to \$890 million from \$949 million at September 30, 2013. The decrease in segment assets was primarily driven by a \$13 million transfer of cash and cash equivalents from our Global Pet Supplies segment to Corporate, coupled with a \$32 million decrease in goodwill and intangible assets. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to \$669 million at September 30, 2014 from \$701 million at September 30, 2013 due to amortization of intangible assets coupled with negative foreign exchange impacts.

Home and Garden Business

	Fiscal Year	
	2014	2013
Net sales to external customers	\$ 432	\$ 390
Segment profit	\$ 89	\$ 78
Segment profit as a % of net sales	20.6%	20.1%
Segment Adjusted EBITDA	\$ 102	\$ 90
Assets as of September 30	\$ 527	\$ 501

Home and Garden net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

Segment profitability in Fiscal 2014 increased \$11 million to \$89 million from \$78 million in Fiscal 2013, driven by increased sales in Fiscal 2014 and the acquisition of Liquid Fence. Segment profitability as a percentage of net sales in Fiscal 2014 increased to 20.6% from 20.1% in Fiscal 2013.

Segment Adjusted EBITDA increased \$12 million to \$102 million in Fiscal 2014 compared to segment Adjusted EBITDA of \$90 million in Fiscal 2013 driven by the increase in net sales coupled with cost and operating expense improvements.

Segment assets at September 30, 2014 increased to \$527 million from \$501 million at September 30, 2013. The increased in segment assets was primarily driven by a \$23 million increase in goodwill and intangible assets due to the acquisition of Liquid Fence. Goodwill and intangible assets, which are substantially a result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, increased to \$449 million at September 30, 2014, from \$426 million at September 30, 2013.

See Note 15, “Acquisitions” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding the Liquid Fence acquisition.

Corporate Expense. Our corporate expense was \$73 million in Fiscal 2014 compared to \$60 million in Fiscal 2013. The increase in corporate expense is primarily attributable to an increase of \$5 million related to corporate support of the HHI business and other initiatives coupled with an increase in stock based compensation of \$2 million and onboarding costs for a key executive. Corporate expense as a percentage of consolidated net sales for Fiscal 2014 increased slightly to 1.6% versus 1.5% for Fiscal 2013 due to the factors discussed above.

Acquisition and Integration Related Charges. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2(u), “Significant Accounting Policies and Practices—Acquisition and Integration Related Charges,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration related charges.

Restructuring and Related Charges. See Note 14, “Restructuring and Related Charges,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for information regarding our Restructuring and related charges.

Interest Expense. Interest expense in Fiscal 2014 was \$202 million compared to \$370 million in Fiscal 2013. The decrease in interest expense in Fiscal 2014 of \$174 million is primarily due to a non-recurrence of \$122 million of costs related to extinguishment of our 9.5% Notes in Fiscal 2013 coupled with ongoing interest cost savings of \$56 million from the refinancing of those notes. The decrease in interest expense is also due to a non-recurrence of \$29 million in costs and expenses related to the acquisition financing for the HHI Business in Fiscal 2013. These savings were partially offset by \$11 million in costs related to the refinancing of our Term Loan Facility in Fiscal 2014, consisting of the write off of unamortized deferred financing fees and original issue discount, and the inclusion of a full year of interest related to the HHI Business financing in Fiscal 2014 versus a partial period in Fiscal 2013. See Note 6, “Debt,” to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Income Taxes. In Fiscal 2014, we recorded income tax expense of \$59 million on pretax income from continuing operations of \$276 million, and in Fiscal 2013, we recorded income tax expense of \$27 million on a pretax loss from continuing operations of \$20 million. Our effective tax rate on income from continuing operations was approximately 21% for Fiscal 2014. Our effective tax rate on our loss from continuing operations was approximately (136)% for Fiscal 2013. During Fiscal 2014, our effective tax rate differs from the U.S. federal statutory rate of 35% principally due to income earned outside the U.S. that is subject to statutory rates lower than 35%. During Fiscal 2013, our effective tax rate differed from the U.S. federal statutory rate of 35% principally due to: (i) losses in the U.S. and certain foreign jurisdictions for which no tax benefit can be recognized due to full valuation allowances that have been provided on our net operating loss carryforward tax benefits and other deferred tax assets; (ii) deferred income tax expense related to the change in book versus tax basis of indefinite lived intangibles, which are amortized for tax purposes but not for book purposes and (iii) the reversal of U.S. valuation allowances of \$50 million on deferred tax assets as a result of the acquisition of the HHI Business. Additionally, in Fiscal 2013, the consolidated pretax income was close to break even, resulting in a higher effective tax rate as this rate is calculated by dividing tax expense into pretax income (loss) from continuing operations.

As of September 30, 2014, we have provided residual taxes on approximately \$3 million of earnings not yet taxed in the U.S. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards (“NOLs”), we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the U.S. tax on future foreign earnings not considered to be permanently reinvested might have a material effect on our effective tax rate. As of September 30, 2014, we project approximately \$2 million of additional tax expense from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings.

As of September 30, 2014, we have U.S. federal NOLs of approximately \$1,084 million, with a federal tax benefit of \$380 million and future tax benefits related to state NOLs of \$70 million. We also have foreign NOLs of approximately \$106 million. During Fiscal 2014, we used approximately \$302 million of U.S. NOLs, including \$179 million from one-time internal restructuring and external debt refinancing activities.

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The realization of our deferred tax assets depends on our ability to generate sufficient taxable income of the appropriate character in future periods and in the appropriate taxing jurisdictions. We establish valuation allowances for deferred tax assets when we estimate it is more likely than not that the tax assets will not be realized. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Accounting Standards Codification (“ASC”) Topic 740: “Income Taxes” (“ASC 740”) requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with ASC 740, we periodically assess the likelihood that our deferred tax assets will be realized and determine if adjustments to the valuation allowance are required.

Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is approximately \$327 million at September 30, 2014. Of this amount, approximately \$293 million relates to U.S. net deferred tax assets and approximately \$34 million relates to foreign net deferred tax assets.

For Fiscal 2014, we generated domestic pretax profits of \$83 million. Should we continue to generate domestic pretax profits in subsequent periods, there is a reasonable possibility that some or most of the domestic valuation allowance of \$293 million could be released at some future date, which could result in a material tax benefit. We estimate that \$122 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic income generated due to prior period ownership changes that limit the amount of NOLs we can use.

ASC 740, which clarifies the accounting for uncertainty in tax positions, requires that we recognize the impact of a tax position if that position is more likely than not to be sustained on audit based on the technical merits of the position. As of September 30, 2014 and September 30, 2013, the total amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in future periods was \$12 million and \$14 million, respectively.

See Note 9, “Income Taxes,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding income taxes.

Fiscal Year Ended September 30, 2013 Compared to Fiscal Year Ended September 30, 2012

Highlights of Consolidated Operating Results

Net Sales. Net sales for Fiscal 2013 increased \$834 million to \$4,086 million from \$3,252 million in Fiscal 2012, a 26% increase. The following table details the principal components of the change in net sales from Fiscal 2012 to Fiscal 2013 (in millions):

	Net Sales
Fiscal 2012 Net Sales	\$ 3,252
Addition of hardware and home improvement products	870
Increase in pet supplies	12
Increase in electric personal care products	5
Increase in home and garden products	3
Decrease in electric shaving and grooming products	(1)
Decrease in consumer batteries	(9)
Decrease in small appliances	(27)
Foreign currency impact, net	(19)
Fiscal 2013 Net Sales	<u>\$ 4,086</u>

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Consolidated net sales by product line for Fiscal 2013 and Fiscal 2012 are as follows (in millions):

Product line net sales by segment	Fiscal Year	
	2013	2012
Global batteries and appliances		
Consumer batteries	\$ 932	\$ 949
Small appliances	740	772
Electric shaving and grooming products	277	279
Electric personal care products	255	250
Total Global batteries and appliances	\$2,204	\$2,250
Hardware and home improvement products	870	—
Global pet supplies	622	615
Home and garden	390	387
Total net sales to external customers	\$4,086	\$3,252

Global consumer battery sales decreased \$17 million, or 2%, during Fiscal 2013 compared to Fiscal 2012. Excluding the impact of negative foreign exchange of \$8 million, global consumer battery sales decreased \$9 million. The constant currency decrease in global consumer battery sales was primarily attributable to the non-recurrence of promotions, timing of holiday shipments and inventory management at key customers, tempered by new customer listings and expansion into new channels.

Small appliance sales decreased \$32 million, or 4%, during Fiscal 2013 versus Fiscal 2012, primarily attributable to declines in North American sales of \$45 million and negative foreign exchange impacts of \$4 million, partially offset by a \$17 million increase in European small appliance sales. The North American sales declines resulted from the planned exit of certain low margin products. Strong small appliances sales in Europe were driven by market share gains in the United Kingdom, regional expansion in both Eastern and Western Europe and successful new product introductions.

Electric shaving and grooming product sales decreased \$2 million, or 1%, during Fiscal 2013 compared to Fiscal 2012, attributable to an \$11 million decline in North American sales and \$1 million of negative foreign currency impacts, partially offset by an increase of \$10 million in European sales and a slight increase in Latin American sales. North American sales declined as a result of labor disruptions at U.S. ports of entry during the peak holiday period in Fiscal 2013, coupled with decreased retail space available for the product category at a major retailer and customer inventory management. European sales gains were driven by successful new product launches and promotions, market growth, increased distribution and customer gains. The gain in Latin American sales was driven by expansion in Brazil due to successful new product launches and distribution gains, tempered by lower sales to customers who export to Venezuela and import restrictions in Argentina.

Electric personal care sales increased \$5 million, or 2%, in Fiscal 2013 versus Fiscal 2012, resulting from a sales increase of \$8 million in Europe, driven by new innovative products, coupled with additional distribution channels and customer gains. The gains were tempered by a \$3 million decline in Latin American sales, resulting from decreased promotions and lower sales to customers who export to Venezuela, partially offset by distribution gains in Brazil and Central America.

Hardware and home improvement sales were \$870 million for Fiscal 2013, reflecting the results of the HHI Business subsequent to the acquisition on December 17, 2012. Pro forma net sales for Fiscal 2013 and Fiscal 2012 as if the acquisition had occurred at the beginning of both periods were \$1,062 million and \$974 million, respectively. The Fiscal 2013 sales growth was driven by double-digit improvements in the HHI Business' U.S. residential security and plumbing categories due to the housing market recovery. The results of TLM Taiwan are included in the results of hardware and home improvement sales subsequent to its acquisition on April 8, 2013.

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Global pet supplies sales increased \$7 million, or 1%, during Fiscal 2013 versus Fiscal 2012, driven by increased companion animal sales of \$16 million, tempered by a \$4 million decline in aquatics sales and \$5 million of negative foreign currency impacts. Gains in companion animal sales resulted from strong growth in the Dingo and FURminator brands, expansion in Europe, new product launches and the inclusion of FURminator sales during all of Fiscal 2013 as the acquisition was completed on December 22, 2011. The decline in aquatic sales was primarily due to a decline in tropical food and outdoor pond product sales in Europe as a result of a later arrival of the spring season due to cooler temperatures.

Home and garden product sales increased \$3 million, or 1%, in Fiscal 2013 versus Fiscal 2012, driven by a \$4 million increase in lawn and garden control sales resulting from an extension to the season due to favorable fall weather, combined with reduced returns and more efficient trade spending. The negative impact on household insect control sales due to a late spring season was offset by increased year over year fourth quarter sales driven by the extension of the season due to favorable fall weather and gains in the first quarter of Fiscal 2013 from new retail distribution. Also contributing to the sales gains was the inclusion of Black Flag sales during all of Fiscal 2013, as the acquisition was completed on October 31, 2011, and retail replenishment following strong retail sales in the fourth quarter of Fiscal 2012.

Gross Profit. Gross profit for Fiscal 2013 was \$1,390 million versus \$1,116 million for Fiscal 2012. The increase in gross profit was driven by the acquisition of the HHI Business which contributed \$273 million in Gross profit in Fiscal 2013. Our gross profit margin for Fiscal 2013 decreased slightly to 34.0% from 34.3% in Fiscal 2012. The slight decline in gross profit margin was driven by a \$31 million increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition of the HHI Business, which offset improvements to gross profit resulting from the exit of low margin products in our small appliances category.

Operating Expenses. Operating expenses for Fiscal 2013 totaled \$1,037 million compared to \$810 million for Fiscal 2012. The \$227 million increase in operating expenses during Fiscal 2013 is primarily attributable to the acquisition of the HHI Business which accounted for \$190 million in operating expenses and led to a \$17 million increase in Acquisition and integration related charges. Furthermore, we incurred a \$14 million increase in Restructuring and related charges primarily related to the Global Expense Rationalization initiatives announced in Fiscal 2013 and an \$18 million increase in stock compensation expense. These increases were tempered by \$8 million in savings across all segments from our cost reduction initiatives and positive foreign exchange impacts of \$4 million.

See Note 2(u), “Significant Accounting Policies and Practices—Acquisition and Integration Related Charges,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

See Note 14, “Restructuring and Related Charges,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Restructuring and related charges.

Segment Results. As discussed above, we manage our business in four reportable segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden Business; and (iv) Hardware & Home Improvement.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

Financial information pertaining to our reportable segments is contained in Note 11, “Segment Information,” to our audited Consolidated Financial Statements included elsewhere in this prospectus.

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Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our Generally Accepted Accounting Principles' ("GAAP") financial results and should be read in conjunction with those GAAP results.

Below are reconciliations of GAAP Net income (loss), as adjusted, to Adjusted EBIT and to Adjusted EBITDA for each segment and for Consolidated SB/RH Holdings for Fiscal 2013 and Fiscal 2012:

Fiscal 2013	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items(a)	Consolidated SB/RH Holdings
(in millions)						
Net income (loss), as adjusted(a)	\$ 214	\$ 77	\$ 78	\$ 75	\$ (491)	\$ (47)
Pre-acquisition earnings of HHI(b)	—	—	—	30	—	30
Income tax expense	—	—	—	—	27	27
Interest expense	—	—	—	—	370	370
Acquisition and integration related charges	6	2	—	7	33	48
Restructuring and related charges	15	11	1	6	1	34
HHI Business inventory fair value adjustment	—	—	—	31	—	31
Venezuela devaluation	2	—	—	—	—	2
Adjusted EBIT	\$ 237	\$ 90	\$ 79	\$ 149	\$ (60)	\$ 495
Depreciation and amortization(c)	67	30	11	32	43	183
Adjusted EBITDA	\$ 304	\$ 120	\$ 90	\$ 181	\$ (17)	\$ 678
Fiscal 2012	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items(a)	Consolidated SB/RH Holdings
(in millions)						
Net income (loss), as adjusted(a)	\$ 221	\$ 70	\$ 71	\$ —	\$ (313)	\$ 49
Pre-acquisition earnings of HHI(b)	—	—	—	183	—	183
Income tax expense	—	—	—	—	60	60
Interest expense	—	—	—	—	192	192
Acquisition and integration related charges	15	5	2	—	9	31
Restructuring and related charges	7	10	1	—	1	19
Adjusted EBIT	\$ 243	\$ 85	\$ 74	\$ 183	\$ (51)	\$ 534
Depreciation and amortization(c)	64	28	13	—	29	134
Adjusted EBITDA	\$ 307	\$ 113	\$ 87	\$ 183	\$ (22)	\$ 668

(a) It is the Company's policy to record Income tax expense and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments and are presented within Corporate / Unallocated Items.

(b) The Pre-acquisition earnings of HHI do not include the TLM Taiwan business as standalone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company's operating results.

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(c) Included within depreciation and amortization is amortization of stock based compensation.

Global Batteries & Appliances

	Fiscal Year	
	2013	2012
Net sales to external customers	\$2,204	\$2,250
Segment profit	\$ 238	\$ 244
Segment profit as a % of net sales	10.8%	10.9%
Segment Adjusted EBITDA	\$ 304	\$ 307
Assets as of September 30	\$2,361	\$2,243

Global Batteries and Appliances net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

Segment profit in Fiscal 2013 decreased to \$238 million from \$244 million in Fiscal 2012, primarily attributable to unfavorable product mix and pricing pressures in the U.S, coupled with the decrease in sales discussed above. Segment profitability as a percentage of net sales decreased slightly to 10.8% in Fiscal 2013 versus 10.9% in Fiscal 2012, driven by unfavorable mix and pricing pressures in the U.S., which offset gains from the exit of low margin products in the small appliances category.

Segment Adjusted EBITDA in Fiscal 2013 decreased to \$304 million from \$307 million in Fiscal 2012. The decrease in segment Adjusted EBITDA was driven by the factors discussed above for the decline in segment profit.

Segment assets at September 30, 2013 increased to \$2,361 million from \$2,243 million at September 30, 2012. The increase is primarily due to the acquisition of Shaser. Goodwill and intangible assets, which are a direct result of the revaluation impacts of fresh-start reporting which occurred during the year ended September 30, 2009 (“Fiscal 2009”) and acquisitions, increased to \$1,322 million at September 30, 2013 from \$1,261 million at September 30, 2012, primarily due to the acquisition of Shaser.

Hardware & Home Improvement

	Fiscal Year	
	2013	2012
Net sales to external customers	\$ 870	\$—
Segment profit	\$ 89	\$—
Segment profit as a % of net sales	10.2%	— %
Segment Adjusted EBITDA	\$ 181	\$—
Assets as of September 30	\$1,736	\$—

Results of the HHI Business, reported as a separate business segment, Hardware & Home Improvement, relate to operations subsequent to the acquisition date, December 17, 2012. The results of TLM Taiwan are reflected in the Hardware & Home Improvement segment subsequent to its acquisition on April 8, 2013.

Hardware and Home Improvement net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

Segment profit in Fiscal 2013 was \$89 million. Segment profitability as a percentage of net sales in Fiscal 2013 was 10.2%. Segment profitability was negatively impacted by a \$31 million increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition.

Including pre-acquisition earnings of the HHI Business, segment Adjusted EBITDA was \$181 million in Fiscal 2013.

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Segment assets at September 30, 2013 were \$1,736 million. Goodwill and intangible assets were \$1,192 million at September 30, 2013.

See Note 15, “Acquisitions,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding the HHI Business acquisition.

Global Pet Supplies

	Fiscal Year	
	2013	2012
Net sales to external customers	\$ 622	\$ 615
Segment profit	\$ 91	\$ 86
Segment profit as a % of net sales	14.6%	14.0%
Segment Adjusted EBITDA	\$ 120	\$ 113
Assets as of September 30	\$ 949	\$ 956

Global Pet Supply net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

Segment profit increased \$5 million to \$91 million in Fiscal 2013 compared to \$86 million in Fiscal 2012. Segment profitability as a percentage of net sales in Fiscal 2013 increased to 14.6%, compared to 14.0% in the same period last year. The increase in segment profit and profitability as a percentage of net sales was driven by cost improvements and operating expense reductions, which offset increased cost of goods sold and unfavorable product mix in Fiscal 2013 versus Fiscal 2012.

Segment Adjusted EBITDA in Fiscal 2013 increased \$7 million to \$120 million from \$113 million in Fiscal 2012. The increase in Adjusted EBITDA was driven by the factors discussed above for segment profit.

Segment assets at September 30, 2013 decreased slightly to \$949 million from \$956 million at September 30, 2012. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to \$701 million at September 30, 2013 from \$715 million at September 30, 2012 due to amortization of intangible assets, tempered by positive foreign exchange impacts.

Home and Garden Business

	Fiscal Year	
	2013	2012
Net sales to external customers	\$ 390	\$ 387
Segment profit	\$ 78	\$ 74
Segment profit as a % of net sales	20.1%	19.0%
Segment Adjusted EBITDA	\$ 90	\$ 87
Assets as of September 30	\$ 501	\$ 508

Home and Garden net sales to external customers are discussed in the “Product line net sales by segment” discussion above.

Segment profitability in Fiscal 2013 increased \$4 million to \$78 million from \$74 million in Fiscal 2012, driven by the increase in lawn and garden control sales and strong expense management. Segment profitability as a percentage of net sales in Fiscal 2013 improved to 20.1% from 19.0% in Fiscal 2012, as a result of strong expense management.

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Segment Adjusted EBITDA improved \$3 million to \$90 million in Fiscal 2013 compared to segment Adjusted EBITDA of \$87 million in Fiscal 2012, driven by the increase in net sales coupled with cost and operating expense improvements.

Segment assets at September 30, 2013 decreased to \$501 million from \$508 million at September 30, 2012. Goodwill and intangible assets, which are substantially a result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to \$426 million at September 30, 2013, from \$433 million at September 30, 2012, driven by amortization of intangible assets.

Corporate Expense. Our corporate expense was \$60 million in Fiscal 2013 compared to \$52 million in Fiscal 2012. This increase is primarily attributable to an \$18 million increase in stock based compensation expense, tempered by operating expense improvements. Corporate expense as a percentage of consolidated net sales for Fiscal 2013 remained constant with Fiscal 2012 at 1.5%.

Acquisition and Integration Related Charges. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2(u), "Significant Accounting Policies and Practices—Acquisition and Integration Related Charges," to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

Restructuring and Related Charges. See Note 14, "Restructuring and Related Charges," to our audited Consolidated Financial Statements included elsewhere in this prospectus for information regarding our restructuring and related charges.

Interest Expense. Interest expense in Fiscal 2013 was \$370 million compared to \$192 million in Fiscal 2012. The increase in interest expense in Fiscal 2013 of \$178 million is primarily due to costs and expenses related to the extinguishment of our 9.5% Notes and the financing of the acquisition of the HHI Business coupled with higher ongoing interest expense related to the debt issued in connection with that acquisition, partially offset by the non-recurrence of costs and expenses related to the extinguishment of our 12% Notes in Fiscal 2012. We incurred \$122 million of costs related to the extinguishment of our 9.5% Notes including cash tender, consent and redemption premium costs totaling \$111 million and non-cash costs for the write off of unamortized deferred financing fees less unamortized original issue premium totaling \$11 million. We incurred \$23 million in costs and expenses related to the acquisition financing for the HHI Business including cash costs of \$24 million for bridge financing fees and transaction costs, along with non-cash costs of \$5 million related to the write-off of debt issuance costs and original issue discount on the former term loan facility. In addition, we incurred \$69 million of ongoing cash interest expense related to the debt incurred for the acquisition of the HHI Business. The higher expense incurred in Fiscal 2013 was partially offset by the non-recurrence of \$25 million of cash and \$2 million of non-cash costs incurred in connection with the extinguishment of our 12% Notes, savings related to the extinguishments of the 12% Notes and the 9.5% Notes coupled with other items netting to reduced interest of \$9 million. See Note 6, "Debt," to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our outstanding debt.

Income Taxes. In Fiscal 2013, we recorded income tax expense of \$27 million on a pretax loss from continuing operations of \$20 million, and in Fiscal 2012, we recorded income tax expense of \$60 million on pretax income from continuing operations of \$113 million. Our effective tax rate on our loss from continuing operations was approximately 136% for Fiscal 2013. Our effective tax rate on income from continuing operations was approximately 53% for Fiscal 2012. Our effective tax rates differ from the U.S. federal statutory rate of 35% principally due to: (i) losses in the U.S. and certain foreign jurisdictions for which no tax benefit can be recognized due to full valuation allowances that have been provided on our net operating loss carryforward tax benefits and other deferred tax assets; (ii) deferred income tax expense related to the change in book versus tax

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basis of indefinite lived intangibles, which are amortized for tax purposes but not for book purposes; and (iii) the reversal in Fiscal 2013 of U.S. valuation allowances of \$50 million on deferred tax assets as a result of the acquisition of the HHI Business and the reversal in Fiscal 2012 of U.S. valuation allowances of \$15 million on deferred tax assets as a result of the FURminator acquisition. Additionally, in Fiscal 2013, the consolidated pretax income was close to break even, resulting in a higher effective tax rate as this rate is calculated by dividing tax expense into pretax income (loss).

In light of our plans to voluntarily pay down our U.S. debt, fund distributions to shareholders, fund U.S. acquisitions, and our ongoing U.S. operational cash flow requirements, in Fiscal 2012 we began recording residual U.S. and foreign taxes on current foreign earnings, which we do not consider to be permanently reinvested, except for locations precluded by local legal restrictions from repatriating earnings. We evaluate annually the available earnings, permanent reinvestment classification and availability of and management's intent to use alternative mechanisms for repatriation for each jurisdiction in which we do business. As of September 30, 2013, we have provided residual taxes on approximately \$46 million of earnings not yet taxed in the U.S. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards, we do not recognize any incremental U.S. tax expense on the expected future repatriation of these foreign earnings. Should the U.S. valuation allowance be released at some future date, the U.S. tax on foreign earnings not considered to be permanently reinvested might have a material effect on our effective tax rate. For Fiscal 2013, we expect approximately \$3 million of additional tax expense from non-U.S. withholding and other taxes to be incurred on repatriation of current earnings.

As of September 30, 2013, we have U.S. federal and state net operating loss carryforwards of approximately \$1,502 million and \$1,538 million, respectively. These net operating loss carryforwards expire through years ending in 2033. We also have foreign loss carryforwards of approximately \$111 million, which will expire beginning in 2014. Certain of the foreign net operating losses have indefinite carryforward periods. We have had multiple changes of ownership, as defined under Internal Revenue Code ("IRC") Section 382, that subject our U.S. federal and state net operating losses and other tax attributes to certain limitations. The annual limitation on our use of these carryforwards is based on a number of factors including the value of our stock (as defined for tax purposes) on the date of the ownership change, our net unrealized built in gain position on that date, the occurrence of realized built in gains in years subsequent to the ownership change, and the effects of subsequent ownership changes (as defined for tax purposes), if any. In addition, separate return year limitations apply to limit our utilization of the acquired Russell Hobbs U.S. federal and state net operating losses to future income of the Russell Hobbs subgroup. Based on these factors, we estimate that \$301 million of the total U.S. federal and \$358 million of the state net operating loss would expire unused even if the Company generates sufficient income to otherwise use all its NOLs. In addition, we project that \$103 million of the total foreign net operating loss carryforwards will expire unused. We have provided a full valuation allowance against these deferred tax assets as well.

The ultimate realization of our deferred tax assets depends on our ability to generate sufficient taxable income of the appropriate character in the future and in the appropriate taxing jurisdictions. We establish valuation allowances for deferred tax assets when we estimate it is more likely than not that the tax assets will not be realized. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Accounting Standards Codification ("ASC") Topic 740: "Income Taxes" ("ASC 740") requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with ASC 740, we periodically assess the likelihood that our deferred tax assets will be realized and determine if adjustments to the valuation allowance are required.

Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is approximately \$449 million at September 30, 2013. Of this amount, approximately \$416 million relates to U.S. net deferred tax assets and approximately \$33 million relates to foreign net deferred tax assets. Our total valuation allowance was approximately \$382 million at September 30, 2012. Of this amount, approximately \$347

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million related to U.S. net deferred tax assets and approximately \$35 million related to foreign net deferred tax assets. As a result of the purchase of the HHI Business, we reversed \$50 million of U.S. valuation allowance during Fiscal 2013. As a result of the purchase of FURminator, we released \$15 million of U.S. valuation allowance during Fiscal 2012. These releases were attributable to the net deferred tax liabilities recorded on the opening balance sheets of the acquired companies in purchase accounting, which offset other U.S. net deferred tax assets.

ASC 740, which clarifies the accounting for uncertainty in tax positions, requires that we recognize in our financial statements the impact of a tax position if that position is more likely than not to be sustained on audit based on the technical merits of the position. As of September 30, 2013 and September 30, 2012, the total amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in future periods was \$14 million and \$6 million, respectively. See Note 9, "Income Taxes," to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information.

Liquidity and Capital Resources

Operating Activities

Fiscal 2015 Nine Months

For the Fiscal 2015 Nine Months, cash used by operating activities totaled \$163.6 million compared to cash used of \$49.2 million during the Fiscal 2014 Nine Months. The \$114.4 million increase in cash used by operating activities was primarily due to:

- Cash used for working capital and other items of \$63.0 million driven by increases in inventory and other working capital accounts, and a decrease in accounts payable; partially offset by decreases in accounts receivable;
- Higher cash payments for acquisition and integration and restructuring related costs of \$19.4 million;
- Higher cash payments for interest totaling \$89.4 million;

Offset by,

- Cash generated by higher Adjusted EBITDA of \$33.4 million; and
- Lower cash payments for income taxes of \$24.0 million.

We expect to fund our cash requirements, including capital expenditures, interest and principal payments due in Fiscal 2015, through a combination of cash on hand, cash flow from operations and funds available for borrowings under our Revolver Facility. Going forward, our ability to satisfy financial and other covenants in our senior credit agreements and senior unsecured indentures and to make scheduled payments or prepayments on our debt and other financial obligations will depend on our future financial and operating performance. There can be no assurances that our business will generate sufficient cash flows from operations or that future borrowings under our Revolver Facility will be available in an amount sufficient to satisfy our debt maturities or to fund our other liquidity needs. While our cash flow from operations for the Fiscal 2015 Nine Months is negative, primarily driven by the seasonal increase of working capital related to certain segments, we expect cash flow from operations for the full year Fiscal 2015 to be positive from normal operating performance and seasonal reductions in working capital during the last quarter of the fiscal year, which is consistent with the previous full fiscal years.

At June 28, 2015, there are no significant foreign cash balances available for repatriation. During Fiscal 2015, we expect to generate between \$75 million and \$125 million of foreign cash that may be repatriated for general corporate purposes.

See "Risk Factors" for further discussion of the risks associated with our ability to service all of our existing indebtedness and our ability to maintain compliance with financial and other covenants related to our indebtedness.

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Fiscal 2014

Cash provided by operating activities totaled \$435 million during Fiscal 2014 compared to \$258 million during Fiscal 2013. The \$177 million increase in cash provided by operating activities was primarily due to:

- Cash generated from higher adjusted EBITDA of \$79 million, excluding pre-acquisition earnings of the HHI Business;
- A \$68 million generation of cash from working capital and other items driven by lower accounts receivable and inventory, partially offset by lower accounts payable and other working capital items;
- Lower cash payments for interest of \$46 million; and
- Lower cash acquisition, integration and restructuring related costs of \$14 million.

Offset by,

- Higher cash payments for income taxes of \$31 million.

We expect to fund our cash requirements, including capital expenditures, interest and principal payments due in Fiscal 2015, through a combination of cash on hand, cash flow from operations and funds available for borrowings under our ABL Facility. Going forward, our ability to satisfy financial and other covenants in our senior credit agreements and in the Indentures and to make scheduled payments or prepayments on our debt and other financial obligations will depend on our financial and operating performance. There can be no assurances that our business will generate sufficient cash flows from operations or that future borrowings under our ABL Facility will be available in an amount sufficient to satisfy our debt maturities or to fund our other liquidity needs.

At September 30, 2014, there are no significant foreign cash balances available for repatriation. For Fiscal 2015, we expect to generate between \$75 million and \$125 million of foreign cash that may be repatriated for general corporate purposes.

See “Risk Factors,” for further discussion of the risks associated with our ability to service all of our existing indebtedness, our ability to maintain compliance with financial and other covenants related to our indebtedness and the impact of the current economic crisis.

Investing Activities

Fiscal 2015 Nine Months

Net cash used by investing activities was \$1,242.3 million for the Fiscal 2015 Nine Months compared to \$67.3 million for the Fiscal 2014 Nine Months. The \$1,175.0 million increase in cash used by investing activities in the Fiscal 2015 Nine Months is driven by an increase in cash used for acquisitions of \$1,167.9 million, which included: (i) \$900.5 million purchase, net of cash acquired, of AAG; (ii) \$147.8 million purchase, net of cash acquired, of Salix; (iii) \$115.7 million purchase, net of cash acquired, of European IAMS and Eukanuba; and (iv) \$29.2 million purchase, net of cash acquired, of Tell. Further contributing to the increase of cash used was the decrease in proceeds from sales of property, plant and equipment of \$7.8 million. These items were partially offset by the \$25.3 million cash paid for the Liquid Fence acquisition in the Fiscal 2014 Nine Months coupled with a decrease in purchases of property, plant and equipment of \$1.4 million.

Fiscal 2014

Net cash used by investing activities was \$94 million for Fiscal 2014 compared to \$1,477 million for Fiscal 2013. The \$1,383 million decrease in cash used by investing activities in Fiscal 2014 was primarily driven by a decrease in cash used for acquisitions of \$1,366 million, which related to the \$1,351 million purchase, net of cash acquired, of the HHI Business, and the \$43 million purchase, net of cash acquired, of Shaser in Fiscal 2013, compared to a \$28 million purchase, net of cash acquired, of Liquid Fence in Fiscal 2014.

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We expect to make investments in capital projects similar to historical levels, as well as incremental investments in high return cost reduction projects slightly above historical levels.

Financing Activities

Debt Financing

Fiscal 2015 Nine Months

At June 28, 2015 we had the following debt instruments outstanding: (i) a Term Loan pursuant to the Senior Credit Agreement which consists of \$1,450.0 USD Term Loan, \$60.9 million CAD Term Loan, \$336.2 million Euro Term Loan; (ii) \$520.0 million 6.375% unsecured notes due 2020 (the “6.375% Notes”); (iii) \$570.0 million 6.625% unsecured notes due 2022 (the “6.625% Notes”); (iv) \$250.0 million 6.125% unsecured notes due 2024 (the “6.125% Notes”); (v) \$1,000.0 million 5.75% Notes; and (vi) a \$500.0 million Revolver Facility.

At June 28, 2015, we were in compliance with all covenants under the Senior Credit Agreement, the indenture governing the 6.375% Notes and the 6.625% Notes, the indenture governing the 6.125% Notes and the indenture governing the 5.75% Notes. From time to time we may repurchase our existing indebtedness, including outstanding securities of SB/RH Holdings, LLC or its subsidiaries, in the open market or otherwise.

See Note 6, “Debt,” to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus, for additional information regarding our outstanding debt.

Fiscal 2014

At September 30, 2014 we had the following debt instruments outstanding: (i) our First Restated Term Loan Facility, which consists of \$648 million principal due September 4, 2017 under our Tranche A Loans, \$510 million principal due September 4, 2019 under our Tranche C Loans, \$34 million Canadian dollar denominated principal due December 17, 2019 under our CAD Term Loans and \$283 million Euro denominated principal due September 4, 2019 under our Initial Euro Term Loans; (ii) \$300 million of our 6.75% Notes; (iii) \$520 million of our 6.375% Notes; (iv) \$570 million of our 6.625% Notes; and (v) a \$400 million ABL Facility.

At September 30, 2014, we were in compliance with all covenants under the First Restated Term Loan Facility, the indenture governing both the 6.375% Notes and the 6.625% Notes, the indenture governing the 6.75% Notes and the Prior ABL Facility Agreement.

From time to time we may repurchase our existing indebtedness, including outstanding securities of SB/RH Holdings or its subsidiaries, in the open market or otherwise.

See Note 6, “Debt,” to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our outstanding debt.

Financing Cash Flows

Fiscal 2015 Nine Months

The Fiscal 2015 Nine Months net cash provided by financing activities of \$1,333.2 million consisted of the following: (i) proceeds related to the issuance \$1,851.1 million of Term Debt; (ii) a net use of \$1,404.4 million to repay debt under the Senior Credit Facilities; (iii) proceeds related to the issuance of the 6.125% Notes and 5.75% Notes of \$250.0 million and \$1,000.0 million, respectively; (iv) a use of \$300.0 million to repay senior unsecured notes; (v) a use of \$540.0 million to repay senior unsecured debt acquired in connection with the AAG Acquisition; (vi) borrowings of \$47.5 million on our Revolver Facility; (vii) proceeds related to a capital contribution from parent of 528.3 million; (viii) a use to pay share-based tax withholdings of employees for vested stock awards of \$1.9 million; (ix) a use to pay \$51.0 million of dividends; (x) a use to pay \$42.4 million of

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debt issuance costs and original issue discount; and (xi) a use of \$4.0 million for other repayment of debt. The primary use of the proceeds was to refinance debt as discussed in Note 6 “Debt” and fund acquisitions as discussed in Note 13 “Acquisitions” to our Condensed Consolidated Financial Statements (unaudited) included elsewhere in this prospectus.

The Fiscal 2014 Nine Months net cash provided by financing activities of \$1.7 million consisted of the following: (i) proceeds related to the issuance \$523.7 million of Term Debt; (ii) a use of \$567.5 million to repay debt under the Senior Credit Facilities; (iii) borrowings of \$110.0 million on our ABL Facility; (iv) a use to pay share-based tax withholdings of employees for vested stock awards of \$26.5 million; (v) a use to pay \$42.0 million of dividends; (vi) a use to pay \$5.5 million of debt issuance costs; and (vii) \$9.5 million of proceeds from other financing activities. The primary use of the proceeds was to fund working capital needs as discussed within “Liquidity and Capital Resources—Operating Activities.”

Fiscal 2014

Net cash used by financing activities was \$338 million for Fiscal 2014 versus net cash provided by financing activities of \$1,263 million for Fiscal 2013.

The Fiscal 2014 net cash used consisted of the following: (i) proceeds related to the issuance of \$524 million of Term Debt; (ii) a use of \$765 million to repay debt under the Senior Credit Facilities; (iii) a use to pay \$77 million of dividends; (iv) a use to pay share-based tax withholdings of employees for vested stock awards of \$25 million; (v) a use to pay \$5 million of debt issuance costs; and (vi) proceeds of \$10 million for other financing activities.

The Fiscal 2013 cash proceeds consisted of the following: (i) proceeds related to the issuance \$1,936 million of Term Debt; (ii) proceeds related to issuance of \$570 million of 6.625% Notes and \$520 million of 6.375% Notes; (iii) a use of \$1,061 million to extinguish \$950 million of our 9.5% Notes, which included tender and call premium of \$111 million; (iv) a use of \$571 million to repay debt under the Senior Credit Facilities; (v) a use to pay \$61 million of debt issuance costs; (vi) a use to pay \$89 million of dividends; (vii) a use to pay share-based tax withholdings of employees for vested stock awards of \$20 million; (viii) proceeds from a \$28 million contribution from our parent; and (ix) \$11 million of proceeds from other financing activities. The primary use of the net proceeds from borrowings was to fund the acquisitions discussed within “Liquidity and Capital Resources—Investing Activities.”

Interest Payments and Fees

In addition to principal payments on our debt obligations as mentioned above, we have annual interest payment obligations of approximately \$216.1 million in the aggregate. This includes interest under our 6.375% Notes of approximately \$33.2 million, interest under our 6.625% Notes of approximately \$37.8 million, interest under our 6.125% Notes of approximately \$15.3 million, interest under our 5.75% Notes of approximately \$57.5 million and interest under our Term Loan and Revolver Facilities of approximately \$69.8 million and \$2.5 million, respectively. Interest on our debt is payable in cash. Interest on the 6.375% Notes, the 6.625% Notes, the 6.125% Notes and the 5.75% Notes is payable semi-annually in arrears and interest under the Term Loan and the Revolver Facilities is payable on various interest payment dates as provided in the Senior Credit Agreement. We are required to pay certain fees in connection with our outstanding debt obligations. Such fees include a quarterly commitment fee of up to 0.50% on the unused portion of the Revolver Facility and certain additional fees with respect to the letter of credit sub-facility under the Revolver Facility.

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Equity Financing Activities

Fiscal 2015 Nine Months

During the Fiscal 2015 Nine Months, we granted 0.43 million restricted stock units to our employees. All vesting dates are subject to the recipient's continued employment with us, except as otherwise permitted by our Board of Directors or in certain cases where the employee is terminated without cause. The total market value of the restricted stock units on the date of grant was approximately \$39.3 million, which represented unearned restricted stock compensation. Unearned compensation is amortized to expense over the appropriate vesting period.

Fiscal 2014

During Fiscal 2014, we granted approximately 641 thousand shares of SB Holdings' restricted stock units to our employees and our directors. All vesting dates are subject to the recipient's continued employment with us, except as otherwise permitted by our Board of Directors or in certain cases if the employee is terminated without cause. The total market value of the restricted shares on the date of grant was approximately \$49 million, which represented unearned restricted stock compensation. Such unearned compensation is amortized to expense over the appropriate vesting period.

From time to time we may repurchase our outstanding shares of Common Stock in the open market or otherwise.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Contractual Obligations & Other Commercial Commitments

Contractual Obligations

The following table summarizes our contractual obligations as of September 30, 2014 and the effect such obligations are expected to have on our liquidity and cash flow in future periods (in millions). Due to our debt financing activities discussed above, our contractual obligations and commercial commitments have materially changed since September 30, 2014. Debt obligations, excluding capital lease obligations, for the fiscal years ending September 2015, 2016, 2017, 2018, 2019 and thereafter are: \$4.6 million; \$97.6 million; \$18.5 million; \$18.5 million; \$18.5 million; and \$4,156.0 million, respectively.

	Contractual Obligations						
	Payments due by Fiscal Year						Total
	2015	2016	2017	2018	2019	Thereafter	
Debt, excluding capital lease obligations	\$106	\$ 69	\$552	\$ 8	\$761	\$ 1,422	\$2,918
Interest payments excluding capital lease obligations	145	140	138	121	119	165	828
Capital lease obligations ⁽¹⁾	13	13	13	9	9	87	144
Operating lease obligations	37	33	29	19	14	32	164
Employee benefit obligations ⁽²⁾	12	11	11	11	12	65	122
Total Contractual Obligations ⁽³⁾	<u>\$313</u>	<u>\$266</u>	<u>\$743</u>	<u>\$168</u>	<u>\$915</u>	<u>\$ 1,771</u>	<u>\$4,176</u>

(1) Capital lease payments due by fiscal year include executory costs and imputed interest not reflected in the audited Consolidated Statements of Financial Position included elsewhere in this prospectus.

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- (2) Employee benefit obligations represent the sum of our estimated future minimum required funding for our qualified defined benefit plans based on actuarially determined estimates and projected future benefit payments from our unfunded postretirement plans. For additional information about our employee benefit obligations, see Note 10, “Employee Benefit Plans,” to our audited Consolidated Financial Statements and Note 9, “Employee Benefit Plans,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.
- (3) At September 30, 2014, our audited Consolidated Statements of Financial Position includes tax reserves for uncertain tax positions. However, it is not possible to predict or estimate the timing of payments for these obligations. The Company cannot predict the ultimate outcome of income tax audits currently in progress for certain of our companies; however, it is reasonably possible that during the next 12 months, some portion of our unrecognized tax benefits could be recognized.

Other Commercial Commitments

The following table summarizes our other commercial commitments as of September 30, 2014, consisting entirely of standby letters of credit that back the performance of certain of our entities under various credit facilities, insurance policies and lease arrangements (in millions). There have been no material changes in our commercial commitments since September 30, 2014.

	Other Commercial Commitments						Total
	Amount of Commitment Expiration by Fiscal year						
	2015	2016	2017	2018	2019	Thereafter	
Letters of credit	\$ 39	\$ 15	\$ —	\$ —	\$ —	\$ —	\$ 54
Total Other Commercial Commitments	<u>\$ 39</u>	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 54</u>

Critical Accounting Policies

Our audited Consolidated Financial Statements and our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus have been prepared in accordance with U.S. GAAP and fairly present our financial position and results of operations. We believe the following accounting policies are critical to an understanding of our financial statements. The application of these policies requires management’s judgment and estimates in areas that are inherently uncertain.

Valuation of Assets and Asset Impairment

We evaluate certain long-lived assets to be held and used, such as property, plant and equipment and definite-lived intangible assets for impairment based on the expected future cash flows or earnings projections associated with such assets. Impairment reviews are conducted at the judgment of management when it believes that a change in circumstances in the business or external factors warrants a review. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset is being used, a history of operating or cash flow losses or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review. An asset’s value is deemed impaired if the discounted cash flows or earnings projections generated do not support the carrying value of the asset. The estimation of such amounts requires management’s judgment with respect to revenue and expense growth rates, changes in working capital and selection of an appropriate discount rate, as applicable. The use of different assumptions would increase or decrease discounted future operating cash flows or earnings projections and could, therefore, change impairment determinations.

ASC 350 requires companies to test goodwill and indefinite-lived intangible assets for impairment annually, or more often if an event or circumstance indicates that an impairment loss may have been incurred. In Fiscal 2014, Fiscal 2013 and Fiscal 2012, we tested our goodwill and indefinite-lived intangible assets as required. As a result of this testing, there were no impairment charges in Fiscal 2014, Fiscal 2013 and Fiscal 2012.

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We used a discounted estimated future cash flows methodology to determine the fair value of our reporting units (goodwill). Fair value of indefinite-lived intangible assets, which represent trade names, was determined using a relief from royalty methodology. Assumptions critical to our fair value estimates were: (i) the present value factors used in determining the fair value of the reporting units and trade names; (ii) royalty rates used in our trade name valuations; (iii) projected average revenue growth rates used in the reporting unit and trade name models; and (iv) projected long-term growth rates used in the derivation of terminal year values. We also tested the aggregate estimated fair value of our reporting units for reasonableness by comparison to our total market capitalization, which includes both our equity and debt securities. These and other assumptions are impacted by economic conditions and expectations of management and will change in the future based on period specific facts and circumstances.

The fair values of our Global Batteries & Appliances, Hardware & Home Improvement, Global Pet Supplies and Home and Garden Business reporting units, which are also our segments, exceeded their carry values by 87%, 47%, 80% and 146%, respectively, as of the date of our latest annual impairment testing.

See Note 2(h), “Significant Accounting Policies and Practices—Property, Plant and Equipment,” Note 2(i), “Significant Accounting Policies and Practices—Intangible Assets,” Note 4, “Property, Plant and Equipment,” and Note 5, “Goodwill and Intangible Assets,” to our audited Consolidated Financial Statements and Note 2, “Significant Accounting Policies—Intangible Assets,” and Note 5, “Goodwill and Intangible Assets,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus for more information about these assets.

Revenue Recognition and Concentration of Credit Risk

We recognize revenue from product sales generally upon delivery to the customer or the shipping point in situations where the customer picks up the product or where delivery terms so stipulate. This represents the point at which title and all risks and rewards of ownership of the product are passed, provided that: there are no uncertainties regarding customer acceptance, there is persuasive evidence that an arrangement exists; the price to the buyer is fixed or determinable and ability to collect is deemed to be reasonably assured. We are generally not obligated to allow for, and our general policy is not to accept, product returns for battery sales. We do accept returns in specific instances related to our hardware and home improvement, electric shaving and grooming, electric personal care, home and garden, small appliances and pet supply products. The provision for customer returns is based on historical sales and returns and other relevant information. We estimate and accrue the cost of returns, which are treated as a reduction of net sales.

We enter into various promotional arrangements, primarily with retail customers, including arrangements entitling such retailers to cash rebates from us based on the level of their purchases, which require us to estimate and accrue the costs of the promotional programs. These costs are generally treated as a reduction of net sales.

We also enter into promotional arrangements that target the ultimate consumer. Such arrangements are treated as either a reduction in net sales or an increase in cost of sales, based on the type of promotional program. The income statement presentation of our promotional arrangements complies with ASC Topic 605: “Revenue Recognition.” Cash consideration, or an equivalent thereto, given to a customer is generally classified as a reduction of net sales. If we provide a customer anything other than cash, the cost of the consideration is classified as an expense and included in cost of sales.

For all types of promotional arrangements and programs, we monitor our commitments and use statistical measures and past experience to determine the amounts to be recorded for the estimate of the earned, but unpaid, promotional costs. The terms of our customer-related promotional arrangements and programs are tailored to each customer and are generally documented through written contracts, correspondence or other communications with the individual customers.

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We also enter into various arrangements, primarily with retail customers, which require us to make an upfront cash or “slotting” payment to secure the right to distribute through such customer. We capitalize slotting payments provided the payments are supported by a time or volume based arrangement with the retailer, and amortize the associated payment over the appropriate time or volume based term of the arrangement. The amortization of slotting payments is treated as a reduction in net sales and a corresponding asset is reported in Deferred charges and other in our audited Consolidated Statements of Financial Position included elsewhere in this prospectus.

Our trade receivables subject us to credit risk which is evaluated based on changing economic, political and specific customer conditions. We assess these risks and make provisions for the ability to collect based on our best estimate of the risks presented and information available at the date of the financial statements. The use of different assumptions may change our estimate of the ability to collect. We extend credit to our customers based upon an evaluation of the customer’s financial condition and credit history and generally do not require collateral. Our credit terms generally range between 30 and 90 days from invoice date, depending upon the evaluation of the customer’s financial condition and history. We monitor our customers’ credit and financial condition in order to assess whether the economic conditions have changed and adjust our credit policies with respect to any individual customer as we determine appropriate. These adjustments may include, but are not limited to, restricting shipments to customers, reducing credit limits, shortening credit terms, requiring cash payments in advance of shipment or securing credit insurance.

See Note 2(b), “Significant Accounting Policies and Practices—Revenue Recognition,” Note 2(c), “Significant Accounting Policies and Practices—Use of Estimates” and Note 2(e), “Significant Accounting Policies and Practices—Concentrations of Credit Risk and Major Customers,” to our audited Consolidated Financial Statements and Note 2, “Significant Accounting Policies—Use of Estimates” and Note 2, “Significant Accounting Policies—Concentrations of Credit Risk” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for more information about our revenue recognition and credit policies.

Pensions

Our accounting for pension benefits is primarily based on a discount rate, expected and actual return on plan assets and other assumptions made by management, and is impacted by outside factors such as equity and fixed income market performance. Our pension liability is principally the estimated present value of future benefits, net of plan assets. In calculating the estimated present value of future benefits, net of plan assets, we used discount rates of 2.0% to 13.5% in Fiscal 2014 and of 1.8% to 13.0% in Fiscal 2013. In adjusting the discount rates from Fiscal 2013 to Fiscal 2014, we considered the change in the general market interest rates of debt and solicited the advice of our actuary. We believe the discount rates used are reflective of the rates at which the pension benefits could be effectively settled.

Pension expense is principally the sum of interest and service cost of the plan, less the expected return on plan assets and the amortization of the difference between our assumptions and actual experience. The expected return on plan assets is calculated by applying an assumed rate of return to the fair value of plan assets. We used expected returns on plan assets of 2.0% to 7.5% in Fiscal 2014 and 3.6% to 7.8% in Fiscal 2013. Based on the advice of our independent actuary, we believe the expected rates of return are reflective of the long-term average rate of earnings expected on the funds invested. If such expected returns were overstated, it would ultimately increase future pension expense and required funding contributions. Similarly, an understatement of the expected return would ultimately decrease future pension expense and required funding contributions. If plan assets decline due to poor performance by the markets and/or interest rates decline resulting in a lower discount rate, our pension liability will increase, ultimately increasing future pension expense and required funding contributions.

See Note 10, “Employee Benefit Plans,” to our audited Consolidated Financial Statements and Note 9, “Employee Benefit Plans,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for a more complete discussion of our employee benefit plans.

Restructuring and Related Charges

Restructuring charges are recognized and measured in accordance with the provisions of ASC Topic 420: “Exit or Disposal Cost Obligations,” (“ASC 420”) and ASC Topic 712: “Compensation—Nonretirement Post-Employment Benefits,” (“ASC 712”). Under ASC 420 and ASC 712, restructuring charges include, but are not limited to, termination and related costs consisting primarily of one-time termination benefits such as severance costs and retention bonuses, and contract termination costs consisting primarily of lease termination costs. Related charges, as defined by us, include, but are not limited to, other costs directly associated with exit and integration activities, including impairment of property and other assets, departmental costs of full-time incremental integration employees, and any other items related to the exit or integration activities. Costs for such activities are estimated by us after evaluating detailed analyses of the costs to be incurred. We present restructuring and related charges on a combined basis.

Liabilities from restructuring and related charges are recorded for estimated costs of facility closures, significant organizational adjustments and measures undertaken by us to exit certain activities. Costs for such activities are estimated by us after evaluating detailed analyses of the costs to be incurred. Such liabilities could include amounts for items such as severance costs and related benefits (including settlements of pension plans), impairment of property and equipment and other current or long term assets, lease termination payments and any other items directly related to the exit activities. While the actions are carried out as expeditiously as possible, restructuring and related charges are estimates. Changes in estimates resulting in an increase to or a reversal of a previously recorded liability may be required as we execute a restructuring plan.

We report restructuring and related charges associated with manufacturing and related initiatives in cost of goods sold. Restructuring and related charges reflected in cost of goods sold include, but are not limited to, termination and related costs associated with manufacturing employees, asset impairments relating to manufacturing initiatives and other costs directly related to the restructuring initiatives implemented.

We report restructuring and related charges associated with administrative functions in operating expenses, such as initiatives impacting sales, marketing, distribution or other non-manufacturing related functions. Restructuring and related charges reflected in operating expenses include, but are not limited to, termination and related costs, any asset impairments relating to the administrative functions and other costs directly related to the initiatives implemented.

See Note 14, “Restructuring and Related Charges,” to our audited Consolidated Financial Statements and Note 12, “Restructuring and Related Charges,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for a more complete discussion of our restructuring initiatives and related costs.

Accounting for Acquisitions

Accounting for acquisitions requires us to recognize and measure identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquired entity. Our accounting for acquisitions involves significant judgments and estimates, including the fair value of certain forms of consideration; the fair value of acquired intangible assets, which involve projections of future revenues, cash flows and terminal value, that are then either discounted at an estimated discount rate or measured at an estimated royalty rate; the fair value of other acquired assets and assumed liabilities, including potential contingencies; and the useful lives of the assets. The projections are developed using internal forecasts, available industry and market data and estimates of long-term rates of growth for our business. The impact of prior or future acquisitions on our financial position or results of operations may be materially impacted by the change in or initial selection of assumptions and estimates.

See Note 15, “Acquisitions,” to our audited Consolidated Financial Statements and Note 13, “Acquisitions,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further discussion of ASC 805 purchase accounting valuation assumptions.

Deferred Income Tax Asset and Other Tax Reserves

We assess our deferred tax asset and record a valuation allowance, when necessary, to reduce our deferred tax asset to the amount that is more likely than not to be realized. We have considered future taxable income, taxable temporary differences and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period we made that determination.

We establish reserves when, despite our belief that our tax returns are fully supportable, we believe that certain positions may be challenged and ultimately modified. We adjust the reserves in light of changing facts and circumstances. Our effective tax rate includes the impact of income tax related reserve positions and changes to income tax reserves that we consider appropriate. A number of years may elapse before a particular matter for which we have established a reserve is finally resolved. Unfavorable settlement of any particular issue may require the use of cash or a reduction in our net operating loss carryforwards. Favorable resolution would be recognized as a reduction to the effective rate in the year of resolution. Tax reserves are presented on the balance sheet in other liabilities.

See Note 9, “Income Taxes,” to our audited Consolidated Financial Statements and Note 10, “Income Taxes,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Loss Contingencies

Loss contingencies are recorded as liabilities when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The outcome of existing litigation, the impact of environmental matters and pending or potential examinations by various taxing authorities are examples of situations evaluated as loss contingencies. Estimating the probability and magnitude of losses is often dependent upon management’s judgment of potential actions by third parties and regulators. It is possible that changes in estimates or an increased probability of an unfavorable outcome could materially affect our business, financial condition or results of operations.

See further discussion in “Business—Legal Proceedings” and Note 12, “Commitments and Contingencies,” to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Other Significant Accounting Policies

Other significant accounting policies, primarily those with lower levels of uncertainty than those discussed above, are also critical to understanding the audited Consolidated Financial Statements included elsewhere in this prospectus. The Notes to the audited Consolidated Financial Statements included elsewhere in this prospectus contain additional information related to our accounting policies and should be read in conjunction with this discussion.

New Accounting Pronouncements

Presentation of debt issuance costs

In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This ASU requires debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. This ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2017. We do not expect the adoption of this standard to have a significant impact on our operational results.

Revenue recognition

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. This ASU requires revenue recognition to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new revenue recognition model requires identifying the contract, identifying the performance obligations, determining the transaction price, allocating the transaction price to performance obligations and recognizing the revenue upon satisfaction of the performance obligations. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. This ASU can be applied either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of the initial application along with additional disclosures. In July 2015, the FASB voted to issue a final ASU that will defer the effective date by one year to annual reporting periods beginning after December 15, 2017 and the interim periods within that year, with early adoption permitted for annual reporting periods beginning after December 15, 2016, and the interim periods within that year. This ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2019, if we do not early adopt. We have not selected a method for adoption nor determined the potential effects on our consolidated financial statements.

Inventory measurement

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330), Simplifying the Measurement of Inventory*, which changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. Net realizable value is defined as the “estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.” This ASU eliminates the guidance that entities consider replacement cost or net realizable value less an approximately normal profit margin in the subsequent measurement of inventory when cost is determined on a first-in, first-out or average cost basis. The provisions of this ASU are effective for public entities with fiscal years beginning after December 15, 2016, and interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the impact of this new accounting guidance on our consolidated financial statements.

Presentation of Unrecognized Tax Benefit

In July 2013, the FASB issued new accounting guidance which requires entities to present unrecognized tax benefits as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except to the extent the net operating loss carryforwards or tax credit carryforwards are not available to be used at the reporting date to settle additional income taxes, and the entity does not intend to use them for this purpose. The new accounting guidance is consistent with how we historically accounted for unrecognized tax benefits in our audited Consolidated Statements of Financial Position, and therefore, we do not expect the adoption of this guidance to have a significant impact on our consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

Market Risk Factors

We have market risk exposure from changes in interest rates, foreign currency exchange rates and commodity prices. We, when appropriate, use derivative financial instruments to mitigate the risk from such exposures.

A discussion of our accounting policies for derivative financial instruments is included in Note 7, “Derivative Financial Instruments,” to our audited Consolidated Financial Statements and in Note 7, “Derivative Financial Instruments,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

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Interest Rate Risk

A substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. We also have bank lines of credit at variable interest rates. The general level of U.S. and Canadian interest rates, LIBOR, CDOR and Euro LIBOR affect interest expense. We periodically use interest rate swaps to manage such risk. The net amounts to be paid or received under interest rate swap agreements are accrued as interest rates change, and are recognized over the life of the swap agreements as an adjustment to interest expense from the underlying debt to which the swap is designated. The related amounts payable to, or receivable from, the contract counter-parties are included in accrued liabilities or accounts receivable.

Foreign Exchange Risk

We are subject to risk from sales and loans to and from our subsidiaries as well as sales to, purchases from and bank lines of credit with third-party customers, suppliers and creditors denominated in foreign currencies. Foreign currency sales and purchases are made primarily in Euro, Pounds Sterling, Mexican Pesos, Canadian Dollars, Australian Dollars and Brazilian Reals. We manage our foreign exchange exposure from anticipated sales, accounts receivable, intercompany loans, firm purchase commitments, accounts payable and credit obligations through the use of naturally occurring offsetting positions (borrowing in local currency), forward foreign exchange contracts, foreign exchange rate swaps and foreign exchange options. The related amounts payable to, or receivable from, the contract counter-parties are included in accounts payable or accounts receivable.

Commodity Price Risk

We are exposed to fluctuations in market prices primarily for purchases of zinc and brass used in our manufacturing processes. We use commodity swaps and calls to manage such risk. The maturity of, and the quantities covered by, the contracts are closely correlated to our anticipated purchases of the commodity. The cost of calls is amortized over the life of the contracts and recorded in cost of goods sold, along with the effects of the swap and call contracts. The related amounts payable to, or receivable from, the counter-parties are included in accounts payable or accounts receivable.

Sensitivity Analysis

The analysis below is hypothetical and should not be considered a projection of future risks. Earnings projections are before tax.

At June 28, 2015, the potential change in fair value of our outstanding interest rate derivative instruments assuming a 1 percent unfavorable shift in interest rates would be a loss of \$1.5 million. The net impact on reported earnings, after also including the effect of the change on one year's underlying interest rate exposure on our variable rate Term Loan, would be a net loss of \$1.5 million.

At June 28, 2015, the potential change in fair value of outstanding foreign exchange derivative instruments, assuming a 10% unfavorable change in the underlying exchange rates, would be a loss of \$39.1 million. The net impact on reported earnings, after also including the effect of the change on one year's underlying foreign currency-denominated exposures, would be a net gain of \$14.5 million.

At June 28, 2015, the potential change in fair value of outstanding commodity price derivative instruments, assuming a 10% unfavorable change in the underlying commodity prices, would be a loss of \$2.4 million. The net impact on reported earnings, after also including the effect of the reduction in cost of one year's purchases of the related commodities due to the same change in commodity prices, would be a net gain of \$1.7 million.

BUSINESS

General

We are a diversified global branded consumer products company. SB Holdings' common stock trades on the New York Stock Exchange (the "NYSE") under the symbol "SPB."

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States ("U.S.") provider of residential locksets and builders' hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent, Inc. ("AAG"). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. The AAG Acquisition is part of our proven growth strategy of building and acquiring market leading brands in the consumer products category. The Armor All, STP and A/C PRO brands will expand our category reach into automotive care products, while giving our consumers the products they want for everyday use with the performance and value they expect from us (the "Spectrum Value Model"). For information pertaining to the AAG Acquisition, see Note 13, "Acquisitions" to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers ("OEMs") and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature's Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company's worldwide battery, personal care and small appliances primarily in the kitchen and home product categories ("Global Batteries & Appliances"); (ii) Hardware & Home Improvement, which consists of the Company's worldwide hardware, home improvement and plumbing business ("Hardware & Home Improvement"); (iii) Global Pet Supplies, which consists of the Company's worldwide pet supplies business ("Global Pet Supplies"); (iv) Home and Garden, which consists of the Company's home and garden and insect control business ("Home and Garden"); and (v) Global Auto Care, which consists of the Company's automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge ("Global Auto Care"). Management reviews our performance based on these segments. For information pertaining to our business

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segments, see Note 11, “Segment Information,” to our audited Consolidated Financial Statements and Note 11, “Segment Results,” to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors’ advertising and promotional activities and pricing strategies.

Our Products

We compete in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls. Our broad line of products includes:

- consumer batteries, including alkaline and zinc carbon batteries, rechargeable batteries and chargers, hearing aid batteries, other specialty batteries and portable lighting products;
- small appliances, including small kitchen appliances and home product appliances;
- personal care products, including electric shaving and grooming devices, electric personal care and styling devices;
- hardware and home improvement products, including residential locksets, builders’ hardware and plumbing products;
- pet supplies, including aquatic equipment and supplies, dog and cat treats, small animal foods, clean up and training aids, health and grooming products and bedding;
- auto care, including automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge; and
- home and garden control products, including household insect controls, insect repellents and herbicides.

Net sales of each product category sold, as a percentage of net sales of our consolidated operations, is set forth below.

	Percentage of Total Company Net Sales				
	Year Ended September 30,			Nine Months Ended	
	2012	2013	2014	June 29, 2014	June 28, 2015
Consumer batteries	29%	23%	22%	21%	17%
Small appliances	24%	18%	16%	16%	16%
Personal care	16%	13%	12%	13%	12%
Hardware and home improvement products	—	21%	26%	26%	26%
Pet supplies	19%	15%	14%	14%	16%
Auto care	—	—	—	—	2%
Home and garden control products	12%	10%	10%	10%	11%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Hardware and Home Improvement Products

In the hardware and home improvement product category we market and sell a broad range of residential locksets and door hardware, including knobs, levers, deadbolts, handlesets and electronics. We offer our security hardware under three main brands, Kwikset, Weiser and Baldwin. On a global basis we are one of the largest producers of tubular residential locksets. Kwikset includes opening to mid-price point residential door hardware sold primarily in the U.S. retail and wholesale channels. Products are offered under the three brands: Safe Lock, Kwikset and Kwikset Signature Series. Weiser offers opening to mid-price point residential door hardware sold primarily in the Canadian retail and wholesale channels. Baldwin offers high price point luxury hardware sold globally through the builders showroom and lumber yard channels.

As a demonstration of our design and engineering team's ability to innovate, our patented SmartKey technology enables consumers to easily rekey their locks without hiring a locksmith. SmartKey continues to win market share across all channels of distribution and provides opportunities for further growth. Market share gains stemming from our SmartKey products further augment our overall market share in the residential lockset space. Also in security, we are capitalizing on the emerging trend in home automation and have developed further innovation in electronics where we utilize open-platform electronics to build scalable partnerships with technology and access control industry leaders.

We also offer other hardware products that include hinges, security hardware, screen and storm door products, garage door hardware, window hardware and floor protection under the Stanley and National Hardware brand names throughout the U.S. and Canada. Although the product line is largely harmonized between the brands, the dual branding approach has been utilized to protect legacy business with key customers and avoid channel conflict.

Furthermore, we provide kitchen, bath and shower faucets as well as other plumbing products through our Pfister brand. Pfister is recognized for bringing showroom styles to the mass market at affordable prices and offers a lifetime warranty on all of its products. We have combined robust customer collaboration with consumer driven research to drive innovative products that are well-received by the market. With its affordable, quick-to-market and custom designed solutions, Pfister has an established capability to effectively service hospitality and international markets. Pfister seeks to differentiate itself from competition through its breadth of styles and finishes designed to meet consumer, plumber and builder needs.

Consumer Batteries

We market and sell a full line of alkaline batteries (AA, AAA, C, D and 9-volt sizes) to both retail and industrial customers. Our alkaline batteries are marketed and sold primarily under the Rayovac and VARTA brands. We also manufacture alkaline batteries for third parties who sell the batteries under their own private labels. Our zinc carbon batteries are also marketed and sold primarily under the Rayovac and VARTA brands and are designed for low and medium drain battery powered devices.

We believe that we are currently the largest worldwide marketer and distributor of hearing aid batteries. We sell our hearing aid batteries through retail trade channels and directly to professional audiologists under several brand names and private labels, including Beltone, Miracle Ear and Starkey.

We also sell Nickel Metal Hydride (NiMH) rechargeable batteries and a variety of battery chargers under the Rayovac and VARTA brands.

Our other specialty battery products include camera batteries, lithium batteries, silver oxide batteries, keyless entry batteries and coin cells for use in watches, cameras, calculators, communications equipment, medical instruments and on the go charges.

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We also offer a broad line of battery-powered, portable lighting products, including flashlights and lanterns for both retail and industrial markets. We sell our portable lighting products under the Rayovac and VARTA brand names, under other proprietary brand names and pursuant to licensing arrangements with third parties.

Small Appliances

We market and sell a broad range of products in the branded small household appliances category under the George Foreman, Black & Decker, Russell Hobbs, Juiceman, Breadman and Toastmaster brands, including grills, bread makers, sandwich makers, kettles, toaster ovens, toasters, blenders, juicers, can openers, coffee grinders, coffeemakers, electric knives, deep fryers, food choppers, food processors, hand mixers, rice cookers and steamers. We also market small home product appliances, including hand-held irons, vacuum cleaners, air purifiers, clothes shavers and heaters, primarily under the Black & Decker and Russell Hobbs brands.

Pet Supplies

In the pet supplies product category we market and sell a variety of leading branded pet supplies for fish, dogs, cats, birds and other small domestic animals. We have a broad line of consumer and commercial aquatics products, including integrated aquarium kits, stand-alone tanks and stands, filtration systems, heaters, pumps, and other equipment, fish food and water treatment products. Our largest aquatics brands are Tetra, Marineland, Whisper, Jungle and Instant Ocean. We also sell a variety of specialty pet products, including dog and cat treats, small animal food and treats, clean up and training aid products, health and grooming aids, bedding products, and consumable accessories including privacy tents, litter carpets, crystal litter cartridges, charcoal filters, corn-based litter and replaceable waste receptacles. Our largest specialty pet brands include FURminator, 8-in-1, Dingo, Nature's Miracle, Wild Harvest and Littermaid.

Home and Garden Control Products

In the home, lawn and garden products category, we currently sell and market a variety of leading insect and weed control products, including household insecticides, insect repellents and lawn insect and weed control solutions. We offer a broad array of household pest control solutions such as spider and scorpion killers; roach and ant killers; flying insect killers; insect foggers; wasp and hornet killers; bedbug, flea and tick control products; and roach and ant baits. We also offer powerful rodent traps and rodenticides with discreet designs that are easy to refill and reuse. Our largest brands in the household insect control and rodenticide category are Hot Shot and Black Flag.

This business segment also manufactures and markets a complete line of insect repellent products that provide protection from various outdoor nuisance pests, especially mosquitoes. These products include both personal repellents available in a variety of formulas (such as aerosols, lotions, pump sprays and wipes) to match consumers' dynamic needs, as well as area repellents (such as yard sprays, citronella candles and patio lanterns) that let consumers enjoy the outdoors without bothersome pests. Our brands in the insect repellents category are Cutter and Repel.

In addition to providing pest solutions, our line of outdoor insect and weed control solutions allows consumers to conquer bugs and weeds, and tackle their biggest lawn and landscaping projects themselves. From selective and non-selective herbicides to pest-specific solutions, our outdoor products are available in easy-to-use formulations (such as aerosols, granules, ready-to-use or hose-end ready-to-sprays) designed to fulfill a variety of consumer needs. Our outdoor insecticide and herbicide brands include Spectracide, Garden Safe and Liquid Fence.

We have positioned ourselves as the value alternative for consumers who want products that deliver powerful performance at an exceptional value.

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Personal Care

We market and sell a broad line of electric shaving and grooming products under the Remington brand name, including men's rotary and foil shavers, beard and mustache trimmers, body, nose and ear trimmers, women's shavers, haircut kits and intense pulsed light hair removal systems.

Our electric personal care products, marketed and sold under the Remington, Russell Hobbs, Carmen and Andrew Collinge brand names, include hand-held dryers, curling irons, straightening irons, brush irons, hair setters, facial brushes, skin appliances, electric toothbrushes and hair accessories.

Auto Care

Our auto care category consists of the recently-acquired AAG business, consisting primarily of the Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

Sales and Distribution

We sell our products through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and OEMs. Our sales generally are made through the use of individual purchase orders, consistent with industry practice. Retail sales of the consumer products we market have been increasingly consolidated into a small number of regional and national mass merchandisers. This trend towards consolidation is occurring on a worldwide basis. As a result of this consolidation, a significant percentage of our sales are attributable to a very limited group of retailer customers, including Wal-Mart, The Home Depot, Lowe's, Carrefour, Target, PetSmart, Canadian Tire, PetCo and Gigante. Our sales to Wal-Mart represented approximately 16% of our consolidated net sales for the fiscal year ended September 30, 2014. No other customer accounted for more than 10% of our consolidated net sales in the fiscal year ended September 30, 2014.

Segment information as to revenues, profit and total assets as well as information concerning our revenues and long-lived assets by geographic location for the last three fiscal years is set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations," Note 11, "Segment Information," to our audited Consolidated Financial Statements included elsewhere in this prospectus and Note 11, "Segment Results," to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Sales and distribution practices in each of our reportable segments are as set forth below.

Global Batteries & Appliances

We manage our Global Batteries & Appliances sales force by geographic region and product group. Our sales team is divided into four major geographic territories: North America, Latin America, Europe and Asia/Pacific. Within each major geographic territory, we have additional subdivisions designed to meet our customers' needs.

We manage our sales force in North America by distribution channel. We maintain separate sales groups to service (i) our retail sales and distribution channel, (ii) our hearing aid professionals channel and (iii) our industrial distributors and OEM sales and distribution channel. In addition, we utilize a network of independent brokers to service participants in selected distribution channels.

We manage our sales force in Latin America by distribution channel and geographic territory. We sell primarily to large retailers, wholesalers, distributors, food and drug chains and retail outlets. In countries where

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we do not maintain a sales force, we sell to distributors who market our products through all channels in the market.

The sales force serving our customers in Europe and Asia/Pacific is supplemented by an international network of distributors to promote the sale of our products. Our sales operations throughout Europe and Asia/Pacific are organized by geographic territory and the following sales channels: (i) food/retail, which includes mass merchandisers, discounters and drug and food stores; (ii) specialty trade, which includes clubs, consumer electronics stores, department stores, photography stores and wholesalers/distributors; and (iii) industrial, government, hearing aid professionals and OEMs.

Global Pet Supplies

Our Global Pet Supplies sales force is aligned by customer, geographic region and product group. We sell pet supply products to mass merchandisers, grocery and drug chains, pet superstores, independent pet stores and other retailers.

Home and Garden Business

The Home and Garden Business sales force is geographically aligned with our key customers. We sell primarily to home improvement centers, mass merchandisers, dollar stores, hardware stores, home and garden distributors, and food and drug retailers in the U.S.

Hardware & Home Improvement

The sales force of the Hardware & Home Improvement is aligned by customer and geographic region. We sell primarily to large retailers, non-retail distributors, home improvement centers, hardware stores, home builders and other retailers.

Global Auto Care

The Global Auto Care sales force is geographically aligned with our key customers. We sell primarily to automotive supply retailers, mass merchandisers, convenience stores, discount and dollar stores, home improvement centers, hardware stores and distributors.

Manufacturing, Raw Materials and Suppliers

The principal raw materials used in manufacturing our products—zinc, electrolytic manganese dioxide, brass and steel—are sourced either on a global or regional basis. The prices of these raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. We have regularly engaged in forward purchase and hedging derivative transactions in an attempt to effectively manage the raw material costs we expect to incur over the next 12 to 24 months.

Substantially all of our rechargeable batteries and chargers, portable lighting products, hair care and other personal care products and our electric shaving and grooming products and small appliances are manufactured by third party suppliers that are primarily located in the Asia/Pacific region. We maintain ownership of most of the tooling and molds used by our suppliers.

We continually evaluate our manufacturing facilities' capacity and related utilization. As a result of such analyses, we have closed a number of manufacturing facilities during the past five years. In general, we believe our existing facilities are adequate for our present and foreseeable needs.

Research and Development

Our research and development strategy is focused on new product development and performance enhancements of our existing products. We plan to continue to use our strong brand names, established customer relationships and significant research and development efforts to introduce innovative products that offer enhanced value to consumers through new designs and improved functionality.

In our fiscal years ended September 30, 2014, 2013 and 2012, we invested \$47.9 million, \$43.3 million and \$33.1 million, respectively, in product research and development.

Patents and Trademarks

We own or license from third parties a significant number of patents and patent applications throughout the world relating to products we sell and manufacturing equipment we use. We hold a license that expires in March 2022 for certain alkaline battery designs, technology and manufacturing equipment from Matsushita Electrical Industrial Co., Ltd. (“Matsushita”), to whom we pay a royalty.

We also use and maintain a number of trademarks in our business, including Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature’s Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero, and Super Seal Stop Leak. We seek trademark protection in the U.S. and in foreign countries.

As a result of the October 2002 sale by VARTA AG of substantially all of its consumer battery business to us and VARTA AG’s subsequent sale of its automotive battery business to Johnson Controls, Inc. (“Johnson Controls”), we acquired rights to the VARTA trademark in the consumer battery category and Johnson Controls acquired rights to the trademark in the automotive battery category. VARTA AG continues to have rights to use the trademark with travel guides and industrial batteries and VARTA Microbattery GmbH has the right to use the trade mark with micro batteries. We are party to a Trademark and Domain Names Protection and Delimitation Agreement that governs ownership and usage rights and obligations of the parties relative to the VARTA trademark.

As a result of the common origins of the Remington Products, L.L.C. (“Remington Products”) business we acquired in September 2003 and the Remington Arms Company, Inc. (“Remington Arms”), the REMINGTON trademark is owned by us and by Remington Arms each with respect to its principal products as well as associated products. Accordingly, we own the rights to use the REMINGTON trademark for electric shavers, shaver accessories, grooming products and personal care products, while Remington Arms owns the rights to use the trademark for firearms, sporting goods and products for industrial use, including industrial hand tools. In addition, the terms of a 1986 agreement between Remington Products and Remington Arms provides for the shared rights to use the REMINGTON trademark on products which are not considered “principal products of interest” for either company. We retain the REMINGTON trademark for nearly all products which we believe can benefit from the use of the brand name in our distribution channels.

We license the Black & Decker brand in North America, Latin America (excluding Brazil) and the Caribbean for four core categories of household appliances: beverage products, food preparation products, garment care products and cooking products. Russell Hobbs has licensed the Black & Decker brand since 1998 for use in marketing various household small appliances. In July 2014, Spectrum Brands and The Black & Decker Corporation (“BDC”) extended the trademark license agreement through December 2018. Under the agreement as extended, Spectrum Brands agreed to pay BDC royalties based on a percentage of sales, with minimum annual royalty payments of \$15.0 million through calendar year 2018. The agreement also requires us to comply with maximum annual return rates for products.

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If BDC does not agree to renew the license agreement, we have 18 months to transition out of the brand name. No minimum royalty payments will be due during such transition period. BDC has agreed not to compete in the four core product categories for a period of five years after the end of the transition period following termination of the license agreement. Upon request, BDC may elect to extend the license to use the Black & Decker brand to certain additional product categories. BDC has approved several extensions of the license to additional categories and geographies.

Through the acquisition of the residential hardware and home improvement business (the “HHI Business”), we own the patented SmartKey technology, which enables customers to easily rekey their locks without hiring a locksmith.

On November 8, 2012, we acquired a 56% interest in Shaser Biosciences, Inc. Through this acquisition we acquired patented technology that is used in our i-Light product line.

Competition

In our retail markets, we compete for limited shelf space and consumer acceptance. Factors influencing product sales include brand name recognition, perceived quality, price, performance, product packaging, design innovation, and consumer confidence and preferences as well as creative marketing, promotion and distribution strategies.

The battery product category is highly competitive. Most consumer batteries manufactured throughout the world are sold by one of four global companies: Spectrum Brands (manufacturer/seller of Rayovac and VARTA brands); Energizer Holdings, Inc. (“Energizer”) (manufacturer/seller of the Energizer brand); The Procter & Gamble Company (“Procter & Gamble”) (manufacturer/seller of the Duracell brand); and Matsushita (manufacturer/seller of the Panasonic brand). We also face competition from the private label brands of major retailers, particularly in Europe. The offering of private-label batteries by retailers may create pricing pressure in the consumer battery market. Typically, private-label brands are not supported by advertising or promotion, and retailers sell these private label offerings at prices below competing name-brands. The main barriers to entry for new competitors are investment in technology research, cost of building manufacturing capacity and the expense of building retail distribution channels and consumer brands.

In the U.S. alkaline battery category, the Rayovac brand is positioned as a value brand, which is typically defined as a product that offers comparable performance at a lower price. In Europe, the VARTA brand is competitively priced with other premium brands. In Latin America, where zinc carbon batteries outsell alkaline batteries, the Rayovac brand is competitively priced. Our primary competitors in the portable lighting product category are Energizer and Mag Instrument, Inc.

Competition within the hardware and home improvement industry varies based on location and product segment. The main source of competition for residential locksets includes other third party manufacturers such as Schlage, a division of Ingersoll-Rand, and private label import brands such as Defiant and Gatehouse. Major competitors for hardware include The Hillman Group, Hampton Hardware, Crown Bolt and private label competitors. In plumbing, Pfister’s major U.S. competitors are Masco, Fortune Brands, Kohler, and American Standard, as well as Glacier Bay and AquaSource, and the private label brands of The Home Depot and Lowe’s.

The pet supplies product category is highly fragmented with over 500 manufacturers in the U.S. alone, consisting primarily of small companies with limited product lines. Our largest competitors in this product category are Mars Corporation (“Mars”), The Hartz Mountain Corporation (“Hartz”) and Central Garden & Pet Company (“Central Garden & Pet”). Both Hartz and Central Garden & Pet sell a comprehensive line of pet supplies and compete with a majority of the products we offer. Mars sells primarily aquatics products.

Products we sell in the home and garden product category face competition from The Scotts Miracle-Gro Company (“Scotts Company”), which markets lawn and garden products under the Scotts, Ortho, Roundup,

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Miracle-Gro, and Tomcat brand names; Central Garden & Pet, which markets garden products under the AMDRO and Sevin brand names; and Bayer A.G., which markets home and garden products under the Bayer Advanced brand name.

Products we sell in the household insect control product category face competition from S.C. Johnson & Son, Inc. (“S.C. Johnson”), which markets insecticide and repellent products under the Raid and OFF! brands; Scotts Company, which markets household insect control products under the Ortho brand; and Henkel KGaA, which markets insect control products under the Combat brand.

Our primary competitors in the electric shaving and grooming product category are Norelco, a division of Koninklijke Philips Electronics NV (“Philips”), which sells and markets rotary shavers, and Braun, a division of Procter & Gamble, which sells and markets foil shavers. Through our Remington brand, we sell both foil and rotary shavers.

Primary competitive brands in the small appliance category include Hamilton Beach, Proctor Silex, Sunbeam, Mr. Coffee, Oster, General Electric, Rowenta, DeLonghi, Kitchen Aid, Cuisinart, Krups, Braun, Rival, Europro, Kenwood, Philips, Morphy Richards, Breville and Tefal. The key competitors of Russell Hobbs in this market in the U.S. and Canada include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., d/b/a HWI Breville, NACCO Industries, Inc. (Hamilton Beach) and SEB S.A. In addition, Russell Hobbs competes with retailers who use their own private label brands for household appliances (for example, Wal-Mart).

Our major competitors in the electric personal care product category are Conair Corporation, Wahl Clipper Corporation and Helen of Troy Limited (“Helen of Troy”).

Some of our major competitors have greater resources and greater overall market share than we do. They have committed significant resources to protect their market shares or to capture market share from us and may continue to do so in the future. In some key product lines, our competitors may have lower production costs and higher profit margins than we do, which may enable them to compete more aggressively in advertising and in offering retail discounts and other promotional incentives to retailers, distributors, wholesalers and, ultimately, consumers.

Seasonality

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (Spectrum’s first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (Spectrum’s third and fourth fiscal quarters). Demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products typically peaks during the first six months of the calendar year (Spectrum’s second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for “back-to-school” sales and in the fall for the holiday season. For a more detailed discussion of the seasonality of our product sales, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonal Product Sales.”

Governmental Regulations and Environmental Matters

Due to the nature of our operations, our facilities are subject to a broad range of federal, state, local and foreign legal and regulatory provisions relating to the environment, including those regulating the discharge of materials into the environment, the handling and disposal of solid and hazardous substances and wastes and the remediation of contamination associated with the releases of hazardous substances at our facilities. We believe

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that compliance with the federal, state, local and foreign laws and regulations to which we are subject will not have a material effect upon our capital expenditures, financial condition, earnings or competitive position.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties. We have not conducted invasive testing at all facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, it is possible that material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could incur material unforeseen expenses, which could have a material adverse effect on our financial condition, capital expenditures, earnings and competitive position. Although we are currently engaged in investigative or remedial projects at some of our facilities, we do not expect that such projects, taking into account established accruals, will cause us to incur expenditures that are material to our business, financial condition or results of operations; however, it is possible that our future liability could be material.

We have been, and in the future may be, subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are held responsible as a result of our relationships with such other parties. In the U.S., these proceedings are under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”) or similar state laws that hold persons who “arranged for” the disposal or treatment of such substances strictly liable for costs incurred in responding to the release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all costs incurred in investigating and remediating contamination at a site. As a practical matter, liability at CERCLA sites is shared by all of the viable responsible parties. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine whether our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state laws for other sites not currently known to us, and the costs and liabilities associated with these sites may be material.

It is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for environmental matters, particularly remediation, and future capital expenditures for environmental control equipment. Nevertheless, based upon the information currently available, we believe that our ultimate liability arising from such environmental matters, taking into account established accruals of \$4.6 million for estimated liabilities at September 30, 2014 should not be material to our business or financial condition.

Electronic and electrical products that we sell in Europe, particularly products sold under the Remington brand name, VARTA battery chargers, certain portable lighting and all of our batteries, are subject to regulation in European Union (“EU”) markets under three key EU directives. The first directive is the Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment (“RoHS”) which took effect in EU member states beginning July 1, 2006. RoHS prohibits companies from selling products which contain certain specified hazardous materials in EU member states. We believe that compliance with RoHS will not have a material effect on our capital expenditures, financial condition, earnings or competitive position. The second directive is entitled the Waste of Electrical and Electronic Equipment (“WEEE”). WEEE makes producers or importers of particular classes of electrical goods financially responsible for specified collection, recycling, treatment and disposal of past and future covered products. WEEE assigns levels of responsibility to companies doing business in EU markets based on their relative market share. WEEE calls on each EU member state to enact enabling legislation to implement the directive. To comply with WEEE requirements, we have partnered with other companies to create a comprehensive collection, treatment, disposal and recycling program. As EU member states pass enabling legislation we currently expect our compliance system to be sufficient to meet such requirements. Our current estimated costs associated with compliance with WEEE are not significant based on our current market share. However, we continue to evaluate the impact of the WEEE legislation as EU member states implement

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guidance and as our market share changes and, as a result, actual costs to our company could differ from our current estimates and may be material to our business, financial condition or results of operations. The third directive is the Directive on Batteries and Accumulators and Waste Batteries, which was adopted in September 2006 and went into effect in September 2008 (the “Battery Directive”). The Battery Directive bans heavy metals in batteries by establishing maximum quantities of those heavy metals in batteries and mandates waste management of batteries, including collection, recycling and disposal systems. The Battery Directive places the costs of such waste management systems on producers and importers of batteries. The Battery Directive calls on each EU member state to enact enabling legislation to implement the directive. We currently believe that compliance with the Battery Directive will not have a material effect on our capital expenditures, financial condition, earnings or competitive position. However, until such time as the EU member states adopt enabling legislation, a full evaluation of these costs cannot be completed. We will continue to evaluate the impact of the Battery Directive and its enabling legislation as EU member states implement guidance.

Certain of our products and facilities in each of our business segments are regulated by the United States Environmental Protection Agency (the “EPA”) and the United States Food and Drug Administration (the “FDA”) or other federal consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain or the cancellation of any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients. We may not always be able to avoid or minimize these risks.

The Food Quality Protection Act (“FQPA”) established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA’s continuing evaluations of active ingredients used in our products.

Certain of our products and packaging materials are subject to regulations administered by the FDA. Among other things, the FDA enforces statutory prohibitions against misbranded and adulterated products, establishes ingredients and manufacturing procedures for certain products, establishes standards of identity for certain products, determines the safety of products and establishes labeling standards and requirements. In addition, various states regulate these products by enforcing federal and state standards of identity for selected products, grading products, inspecting production facilities and imposing their own labeling requirements.

Employees

We had approximately 15,400 full-time employees worldwide as of June 28, 2015. Approximately 15% of our total labor force is covered by collective bargaining agreements. There are three collective bargaining agreements that will expire through the end of our fiscal year ending September 30, 2016, which cover approximately 50% of the labor force under collective bargaining agreements, or approximately 6% of our total labor force. We believe that our overall relationship with our employees is good.

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Properties

The following table lists our principal owned or leased manufacturing, packaging and distribution facilities at June 28, 2015:

<u>Facility</u>	<u>Function</u>
<i>Global Batteries & Appliances</i>	
Fennimore, Wisconsin ⁽¹⁾	Battery Manufacturing
Portage, Wisconsin ⁽¹⁾	Battery Manufacturing
Dischingen, Germany ⁽²⁾	Battery Manufacturing
Washington, UK ⁽²⁾	Battery Manufacturing & Distribution
Guatemala City, Guatemala ⁽¹⁾	Battery Manufacturing
Jaboatao, Brazil ⁽¹⁾	Battery Manufacturing
Dixon, Illinois ⁽²⁾	Distribution
Ellwangen-Neunheim, Germany ⁽²⁾	Distribution
Redlands, California ⁽²⁾	Distribution
Manchester, England ⁽¹⁾	Distribution
Wolverhampton, England ⁽¹⁾⁽²⁾	Distribution
<i>Hardware & Home Improvement</i>	
Denison, Texas ⁽¹⁾⁽²⁾	Manufacturing & Distribution
Fort Mill, South Carolina ⁽²⁾	Manufacturing
Houston, Texas ⁽²⁾	Manufacturing
Mexicali, Mexico ⁽²⁾	Manufacturing
Nogales, Mexico ⁽¹⁾	Manufacturing
Chia-Yi, Taiwan ⁽²⁾	Manufacturing
Subic Bay, Philippines ⁽¹⁾	Manufacturing
Xiamen, China ⁽²⁾	Manufacturing
Xiaolan, China ⁽²⁾	Manufacturing
Lilitz, Pennsylvania ⁽²⁾	Distribution
Brockville, Canada ⁽²⁾	Distribution
Charlotte, North Carolina ⁽²⁾	Distribution
Cobourg, Canada ⁽¹⁾	Distribution
Mira Loma, California ⁽²⁾	Distribution
Shenzen, China ⁽²⁾	Distribution
<i>Global Pet Supplies</i>	
Noblesville, Indiana ⁽¹⁾	Manufacturing
Bridgeton, Missouri ⁽²⁾	Manufacturing
Blacksburg, Virginia ⁽¹⁾	Manufacturing
Coevorden, Netherlands ⁽¹⁾	Manufacturing
Melle, Germany ⁽¹⁾	Manufacturing
Melle, Germany ⁽²⁾	Distribution
Ciudad, Mexico ⁽²⁾	Manufacturing
Bogota, Colombia ⁽²⁾	Manufacturing
Tungurahua, Ecuador ⁽²⁾	Manufacturing
Phnom Penh, Cambodia ⁽²⁾	Manufacturing
Edwardsville, Illinois ⁽²⁾	Distribution
Daleville, Virginia ⁽²⁾	Distribution
<i>Home and Garden Business</i>	
St. Louis, Missouri ⁽²⁾	Manufacturing
Edwardsville, Illinois ⁽³⁾	Distribution

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<u>Facility</u>	<u>Function</u>
Global Auto Care	
Painesville, Ohio ⁽¹⁾	Manufacturing
Garland, Texas ⁽²⁾	Manufacturing
Garland, Texas ⁽²⁾	Distribution
Gwent, UK ⁽²⁾	Manufacturing
Mentor, Ohio ⁽²⁾	Distribution
Padstow, Australia ⁽²⁾	Distribution
Concord, Canada ⁽²⁾	Distribution

(1) Facility is owned.

(2) Facility is leased

(3) Facility is leased and managed by a third-party logistics firm.

Legal Proceedings

Litigation

We are a defendant in various matters of litigation generally arising out of the ordinary course of business.

We do not believe that any matters or proceedings presently pending will have a material adverse effect on our results of operations, financial condition, liquidity or cash flows.

Environmental

We have provided for the estimated costs associated with environmental remediation activities at some of our current and former manufacturing sites. We believe that any additional liability that may result from the resolution of these matters in excess of the amounts provided of approximately \$4.5 million as of June 28, 2015, will not have a material adverse effect on our financial condition, results of operations or cash flows.

We are subject to various federal, state and local environmental laws and regulations. We believe we are in substantial compliance with all such environmental laws that are applicable to our operations. See also the discussion captioned “—Governmental Regulations and Environmental Matters.”

MANAGEMENT

Executive Officers and Directors

The Board of Directors of Spectrum Brands consists of Nathan Fagre and John Beattie. Mr. Fagre has served as one of Spectrum Brands' directors since April 2012. Mr. Fagre has also served as Spectrum Brands' Senior Vice President, General Counsel and Secretary since May 2012, and Spectrum Brands' Vice President, General Counsel and Secretary since January 2011. Mr. Beattie, age 61, has served as one of Spectrum Brands' directors since April 2012. Mr. Beattie has also served as Spectrum Brands' Vice President and Treasurer since 2004 and as Division Vice President and Treasurer since 2000. Neither Mr. Fagre nor Mr. Beattie is independent.

In addition to the directors named above, Spectrum Brands' named executive officers as of September 1, 2015 consisted of the following persons:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Andreas Rouvé	54	Chief Executive Officer and President
Nathan E. Fagre	60	Senior Vice President, General Counsel and Secretary
Douglas L. Martin	52	Executive Vice President and Chief Financial Officer

Andreas Rouvé was elected Chief Executive Officer of Spectrum Brands, effective April 1, 2015. Mr. Rouvé previously served as Chief Operating Officer since February 2014 and, prior to that, as President, International since January 2013. He served as Senior Vice President and Managing Director of Spectrum Brands' European Battery and Personal Care business since 2007 and subsequently led the integration of the Home Appliances and Pet Supplies European businesses in 2010-2011. Mr. Rouvé joined Spectrum Brands in 2002 as Chief Financial Officer of the European Battery division. Previously, he worked 13 years with VARTA AG in a variety of management positions, including Chief Financial Officer of VARTA Portable Batteries from 1999-2002, Managing Director Asia from 1997-1999 and Director of Finance of 3C Alliance L.L.P., a U.S. joint venture of VARTA, Duracell and Toshiba, from 1995-1997. Mr. Rouvé holds a Master's of Business Administration (Diplom-Kaufmann) from the University of Mannheim in Germany and a Doctor of Economics and Social Science (Dr. rer. soc. oec.) from the University of Linz in Austria.

John Beattie has served as Spectrum Brands' Vice President and Treasurer since 2004 and as Division Vice President and Treasurer since 2000. Mr. Beattie joined us in 1980 and has held numerous other positions with us. Mr. Beattie started his career at the Coca-Cola Bottling Company of Mid-America. Mr. Beattie holds a Bachelor of Arts degree in political science, a Bachelor of Business Administration degree in accounting and a Master of Business Administration degree in finance from the University of Wisconsin. Mr. Beattie's experience with the operations of Spectrum Brands has led us to conclude that he should be a member of the board of directors of Spectrum Brands.

Nathan Fagre was appointed Spectrum Brands' Vice President, General Counsel and Secretary in January 2011, and was promoted to Senior Vice President, General Counsel and Secretary in May 2012. He previously had served as Senior Vice President, General Counsel and Secretary for ValueVision Media, Inc. from May 2000 until January 2011. Prior to that time, he had served as Senior Vice President, General Counsel and Secretary for the exploration and production division of Occidental Petroleum Corporation, from May 1995 until April 2000. Before joining Occidental Petroleum Corporation, Mr. Fagre had been in private law practice with Sullivan & Cromwell, LLP and Gibson, Dunn & Crutcher, LLP. Mr. Fagre graduated with a bachelor's degree from Harvard College in 1977, received a master of philosophy (M.Phil.) degree in international relations from Oxford University in 1979, and received a J.D. from Harvard Law School in 1982. Mr. Fagre served as chairman of the Electronic Retailing Association from 2008-2009 after becoming a director of the association in 2004. Mr. Fagre currently serves as a member of the board of directors of the Greater Madison Chamber of Commerce since 2012, and as a director of Shaser, Inc., a medical device company, since 2013. Mr. Fagre's experience with the operations of Spectrum Brands has led us to conclude that he should be a member of the board of directors of Spectrum Brands.

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Douglas Martin was appointed Spectrum Brands' Executive Vice President and Chief Financial Officer in September 2014. Prior to joining us, Mr. Martin served from September 2012 to August 2014 as Executive Vice President and Chief Financial Officer of Newell Rubbermaid Inc., a global marketer of consumer and commercial products, including writing, home solutions, tools, commercial products, and baby & parenting brands. Mr. Martin was employed by Newell Rubbermaid Inc. since 1987, serving in a variety of senior financial roles, including Deputy Chief Financial Officer from February 2012 to September 2012, Vice President of Finance – Newell Consumer from November 2011 to February 2012, Vice President of Finance – Office Products from December 2007 to November 2011, and Vice President and Treasurer from June 2002 to December 2007. Mr. Martin began his career with KPMG LLP, holds a bachelor's degree in accounting from Rockford College, Illinois, and is a Certified Public Accountant.

EXECUTIVE COMPENSATION

General

Our compensation programs are administered by the compensation committee of SB Holdings. Solely for the purposes of this section, unless otherwise indicated, references to the “Compensation Committee” refer to such committee and references to the “Company” refer to SB Holdings and “we” and “us” and “our” refer to SB Holdings and its consolidated subsidiaries.

Our compensation programs are designed to attract and retain highly qualified executives, to align the compensation paid to executives with the business strategies of our Company, and to align the interests of our executives with the interests of our stockholders. These programs are based on our “pay-for-performance” philosophy in which variable compensation represents a majority of an executive’s potential compensation.

In terms of our Fiscal 2014 performance, we reported results that met or exceeded our financial targets, including adjusted EBITDA and consolidated free cash flow. Management continued to execute the Spectrum Value Model in a challenging economic environment, and maintained a disciplined focus on cost controls.

Compensation decisions for the named executive officers (“NEOs”) in Fiscal 2014 were consistent with our pay-for-performance philosophy and our corporate goals of increased growth and free cash flow generation. These decisions included the following:

- Our fiscal results produced annual cash incentive compensation that exceeded target by approximately 10 percent;
- We maintained our performance-based equity incentive grants at approximately the same dollar value levels as the prior year, but decreased the number of shares in some cases to reflect the appreciation of our stock as compared to the prior year;
- The “Spectrum 750 Plan,” an equity incentive program, which had a two-year performance period ending September 30, 2014, provided incentives to the NEOs and other key members of management to achieve increased adjusted EBITDA growth, earnings per share growth, and accelerated free cash flow generation, in each case above our forecasted plans for Fiscal 2013 and 2014; and
- The Compensation Committee has approved a new multi-year superior achievement program entitled “Spectrum \$2B,” as the successor program to the Spectrum 750 Plan, which would promote the attainment of stretch goals for key financial performance metrics in a two-year performance period consisting of Fiscal 2015 and Fiscal 2016.

In establishing our compensation programs, our Compensation Committee obtains the advice of an independent outside compensation consultant and evaluates the Company’s programs with reference to a peer group of 15 companies, as specified in the section titled “Role of Committee-Retained Consultants.” In Fiscal 2014, the Compensation Committee engaged Towers Watson as its compensation consultant. In October 2014, the Compensation Committee engaged a new compensation consultant, Lyons, Benenson & Company Inc. (“LB & Co.”), replacing Towers Watson, to assist in evaluating and advising on the Company’s executive compensation programs.

At our 2014 Annual Meeting of Stockholders (the “2014 Annual Meeting”), our stockholders approved, on an advisory basis, the compensation of the Company’s named executive officers as disclosed in the Compensation Discussion and Analysis, compensation tables, and related narrative disclosure in the proxy statement for the 2014 Annual Meeting. Our compensation practices as discussed herein are materially consistent with those discussed in the proxy statement for the 2014 Annual Meeting. Additionally, at our 2011 Annual Meeting of Stockholders, our stockholders held a separate vote, on an advisory basis, relating to the frequency of the advisory vote on the compensation of the Company’s named executive officers, pursuant to which our

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stockholders indicated their preference that such vote be held every three years, which was the frequency recommended by the Board of Directors. The next stockholder advisory vote on executive compensation, as well as the next advisory vote relating to the frequency of the advisory vote on executive compensation, will be held at the Company's 2017 Annual Meeting of Stockholders.

Our Named Executive Officers

The Company's named executive officers for Fiscal 2014 consisted of the following persons:

<u>Named Executive Officer</u>	<u>Position</u>
David R. Lumley	Chief Executive Officer and President
Douglas L. Martin	Executive Vice President and Chief Financial Officer
Anthony L. Genito	Executive Vice President and Chief Accounting Officer; former Chief Financial Officer
Andreas Rouve	Chief Operating Officer
Nathan E. Fagre	Senior Vice President, General Counsel and Secretary

Our Compensation Committee

The Compensation Committee of our Board of Directors (the "Compensation Committee") is responsible for developing, adopting, reviewing, and maintaining the Company's executive compensation programs in order to ensure that they continue to benefit the Company.

Background on Compensation Considerations

The Company pursues several objectives in determining its executive compensation programs. It seeks to attract and retain highly qualified executives and ensure continuity of senior management for the Company as a whole and for each of the Company's business segments, to the extent consistent with the overall objectives and circumstances of the Company. It seeks to align the compensation paid to our executives with the overall business strategies of the Company while leaving the flexibility necessary to respond to changing business priorities and circumstances. It also seeks to align the interests of our executives with those of our stockholders and seeks to reward our executives when they perform in a manner that creates value for our stockholders. In order to carry out this function, the Compensation Committee:

- Considers the advice of independent compensation consultants engaged to advise on executive compensation issues and program design, including advising on the Company's compensation program as it compares to similar companies;
- Reviews compensation summaries for each named executive officer at least once a year, including the compensation and benefit values offered to each executive, accumulated value of equity and other past compensation awards, and other contributors to compensation;
- Consults with our Chief Executive Officer and other management personnel and Company consultants, including our Senior Vice President of Global Human Resources, in regards to compensation matters and periodically meets in executive session without management to evaluate management's input; and
- Solicits comments and concurrence from other board members regarding its recommendations and actions at the Company's regularly scheduled board meetings.

Philosophy on Performance Based Compensation

The Compensation Committee has designed the Company's executive compensation programs so that, at target levels of performance, a significant portion of the value of each executive's annual compensation (consisting of salary and incentive awards) is based on the Company's achievement of performance objectives set by the Compensation Committee. We believe that a combination of annual fixed base pay and incentive

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performance-based pay provides our named executive officers with an appropriate mix of current cash compensation and performance compensation. However, in applying these compensation programs to both individual and Company circumstances, the percentage of annual compensation based on the Company's achievement of performance objectives set by the Compensation Committee varies by individual, and the Compensation Committee is free to design compensation programs that provide for target-level performance-based compensation to be an amount greater than, equal to, or less than 50% of total annual compensation. For example, for Fiscal 2015, the percentage of annual compensation based on the Company's achievement of performance objectives (set by the Compensation Committee) for the named executive officers is expected to range from 78% to 90%. In addition, to highlight the alignment of the incentive plans with stockholder interests, all of the Company's equity-based incentive programs are performance-based plans.

The remainder of each executive's compensation is made up of amounts that do not vary based on performance. For all named executive officers, these non-performance based amounts are set forth in such executive's employment agreement or written terms of employment, as described below, subject to annual review and potential increase by the Compensation Committee. These amounts are determined by the Compensation Committee taking into account current market conditions, the Company's financial condition at the time such compensation levels are determined, compensation levels for similarly situated executives with other companies, experience level, and the duties and responsibilities of such executive's position.

A component of compensation (whether performance-based or time-based) also consists of multi-year incentive programs. We believe that awards that have multi-year performance periods and that vest over time enhance the stability of our senior management team and provide greater incentives for our named executive officers to remain at the Company.

Role of Committee-Retained Consultants

In Fiscal 2014, our Compensation Committee retained an outside consultant, Towers Watson, to assist us in formulating and evaluating executive and director compensation programs.

During Fiscal 2014, the Compensation Committee, directly or through our Senior Vice President of Global Human Resources, periodically requested Towers Watson to:

- Provide comparative market data for our peer group, and other groups on request, with respect to compensation matters;
- Analyze our compensation and benefit programs relative to our peer group;
- Advise the Compensation Committee on compensation matters and management proposals with respect to compensation matters;
- Assist in the preparation of this report and the compensation tables provided herewith; and
- On request, participate in meetings of the Compensation Committee.

In order to encourage an independent view point, the Compensation Committee and its members had access to Towers Watson at any time without management present and have consulted from time to time with Towers Watson without management present.

Towers Watson, with input from management and the Compensation Committee, developed a peer group of companies based on a variety of criteria, including type of business, revenue, assets and market capitalization. The composition of this peer group is reviewed annually by the Compensation Committee and the compensation consultant and, if appropriate, revised, based on changes in business orientation of peer group companies, changes in financial size or performance of the Company and the peer group companies, and merger, acquisition, or bankruptcy of companies in the peer group. At the end of Fiscal 2014, the peer group utilized consisted of 14 companies, comprised of Central Garden & Pet Company, Church & Dwight Co., Inc., The Clorox Company,

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Energizer Holdings, Inc., Fortune Brands Home & Security, Inc., Hanesbrands Inc., Hasbro, Inc., Jarden Corporation, Mattel, Inc., Newell Rubbermaid Inc., Nu Skin Enterprises, Inc., The Scotts Miracle-Gro Company, Stanley Black & Decker, Inc., and Tupperware Brands Corporation. The peer group for Fiscal 2014 was updated from that of Fiscal 2013 to delete Exide Technologies, which filed for bankruptcy during the fiscal year. While the Compensation Committee does not target a particular range for total compensation as compared to our peer group, it does take this information into account when establishing compensation programs.

No fees were paid to Towers Watson for services other than executive and director compensation consulting during Fiscal 2014. In accordance with SEC rules, our Compensation Committee considered the independence of Towers Watson, including an assessment of the following factors: (i) other services provided to the Company by the consultant; (ii) fees paid as a percentage of the consulting firm's total revenue; (iii) policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultants involved in the engagement and any member of our Compensation Committee; (v) any Company stock owned by individual consultants involved in the engagement; and (vi) any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement. Our Compensation Committee has concluded that no conflict of interest exists that prevented Towers Watson from independently representing our Compensation Committee during Fiscal 2014.

In October 2014, the Compensation Committee engaged LB & Co. as its new compensation consultant to replace Towers Watson. LB & Co. was retained to review and help guide the Company's compensation philosophy, strategy, and program. LB & Co. is also expected to guide the Compensation Committee on best practices in compensation and governance, as well as apprise the Compensation Committee of trends, developments, legislation, and regulations affecting executive and director compensation.

Use of Employment Agreements

Current Employment and Severance Agreements

The Compensation Committee periodically evaluates the appropriateness of entering into employment agreements or other written agreements with members of the Company's senior management to govern compensation and other aspects of the employment relationship. The Company limits the use of employment agreements and instead uses severance agreements for most executives. With respect to the named executive officers, at the direction of the Compensation Committee (or its predecessor), the Company has entered into the following written employment agreements with the following executive officers: (i) an Amended and Restated Employment Agreement with Mr. Lumley dated as of August 11, 2010, as amended by the First Amendment to the Employment Agreement dated as of November 16, 2010, (collectively, the "Lumley Employment Agreement"); (ii) an Employment Agreement with Mr. Genito dated as of June 9, 2008, as amended by the Amendment to Employment Agreement dated as of February 24, 2009, the description of the Second Amendment to the Employment Agreement dated as of August 28, 2009 and the Third Amendment to the Employment Agreement dated November 16, 2010 (collectively, the "Genito Employment Agreement"); and (iii) an Employment Agreement with Mr. Martin dated as of September 1, 2014 (the "Martin Employment Agreement"). The Lumley Employment Agreement and Martin Employment Agreement are with both Spectrum Brands and the Company, and the Genito Employment Agreement is only with Spectrum Brands. In addition, Spectrum Brands has entered into a Retention Agreement with Mr. Genito dated as of April 29, 2014, in connection with Mr. Genito's termination of employment with the Company (the "Genito Retention Agreement"). Mr. Rouve is subject to the Registered Director's Agreement with Rayovac Europe GmbH ("Rayovac Europe"), an indirect subsidiary of the Company, entered into under German law on August 27, 2007, as amended October 1, 2007, which governs duties, compensation, confidentiality, non-competition, holiday entitlement, non-solicitation, severance and certain other post-employment matters in connection with a potential termination of Mr. Rouve's employment (the "Rouve Employment Agreement"). For more information about the Rouve Employment Agreement, see "Company Significant Events after Fiscal 2014". Finally, Spectrum Brands

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and Mr. Fagre are parties to a Severance Agreement dated as of November 19, 2012, which governs severance, confidentiality, non-competition, and certain other post-employment matters in connection with a potential termination of Mr. Fagre's employment (the "Fagre Severance Agreement").

Term and Renewal

The current term of the Lumley Employment Agreement expires on April 14, 2015, and the term of the Martin Employment Agreement expires on March 1, 2016. The Lumley Employment Agreement provides that upon each anniversary of the commencement date, the term will automatically be extended for an additional one year, unless either party provides the other with notice of non-renewal at least 90 days prior to the next occurring anniversary of the commencement date. The Martin Employment Agreement provides that upon expiration of the current term (and any subsequent renewal term), unless earlier terminated in accordance with such agreement, the agreement will automatically renew for an additional one-year period on September 1st of each year. The Rouve Employment Agreement continues until either party provides six months' written notice indicating termination. Under the Genito Retention Agreement, Mr. Genito and Spectrum Brands have mutually agreed that his employment will terminate effective December 31, 2014 (or on such other date that is mutually agreed to) and Mr. Genito ceased serving as Chief Financial Officer on September 1, 2014. Mr. Genito departed from the Company on January 2, 2015.

Early Termination of Agreements

The Lumley, Martin, Rouve, and Genito Employment Agreements each permit the Company to terminate the executive's employment upon written notice in the event of "cause" (as defined below under the heading "Termination and Change in Control Provisions"). In the case of Mr. Lumley, if the behavior giving rise to "cause" is his willful failure or refusal to perform his duties, or follow the direction of the Board of Directors, then Mr. Lumley will have 15 days to cure such behavior; however, if the behavior giving rise to "cause" is a breach of the Lumley Employment Agreement or other material agreement with the Company, he will have 30 days to remedy such behavior. For Mr. Martin, if the behavior giving rise to "cause" is his willful failure or refusal to perform his duties or follow the direction of the Chief Executive Officer or the Board of Directors, or his material breach of his employment agreement or any other agreement with the Company, then Mr. Martin will have 30 days to cure such behavior following notice. For Mr. Genito, if the behavior giving rise to "cause" is his willful failure or refusal to perform his duties or follow the direction of the Chief Executive Officer, or his material breach of his employment agreement or any other agreement with the Company, then he will have 30 days to cure such behavior following notice. For Mr. Rouve, "cause" will be as defined under German law at the time of the occurrence.

The Lumley Employment Agreement permits the Company to terminate Mr. Lumley's employment without "cause" for any reason upon 60 days' prior written notice or payment in lieu thereof. The Martin Employment Agreement permits the Company to terminate Mr. Martin's employment without "cause" for any reason upon 90 days' prior written notice or payment in lieu thereof. The Genito Employment Agreement permits the Company to terminate Mr. Genito's employment without "cause" for any reason upon 30 days' prior written notice. The Rouve Employment Agreement permits termination by the employer for any reason upon six months' notice or payment in lieu thereof.

The Lumley, Martin, Rouve, and Genito Employment Agreements each permit the Company to terminate the executive's employment upon 30 days' written notice, in the cases of Messrs. Lumley, Martin, and Genito, and three months' written notice in the case of Mr. Rouve, in the event that the executive is unable to perform his duties for a period of at least six months by reason of any mental, physical, or other disability. Each agreement also terminates immediately upon the death of the executive.

The Lumley Employment Agreement allows Mr. Lumley to voluntarily terminate his employment for any reason upon 60 days' prior written notice. The Martin Employment Agreement allows Mr. Martin to voluntarily

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terminate his employment for any reason upon 90 days' prior written notice. The Genito Employment Agreement allows Mr. Genito to voluntarily terminate his employment for any reason upon 30 days' prior written notice. The Rouve Employment Agreement allows Mr. Rouve to terminate for any reason upon six months' notice.

The Lumley, Martin, Genito, and Rouve Employment Agreements also provide that if the executive resigns upon the occurrence of specified circumstances that would constitute "good reason" (as defined below under the heading "Termination and Change in Control Provisions"), the executive's resignation will be treated as a termination by the Company without "cause" and entitle the executive to the payments and benefits due with respect to a termination without "cause" under his respective employment agreement. In order to constitute "good reason" under the respective employment agreements, certain specific notice requirements and cure periods must be satisfied. In the case of Mr. Lumley, he would have to provide the Company with 30 days' advance written notice of his intent to resign for "good reason" within 60 days following the occurrence of the facts or circumstances giving rise to "good reason," and the Company will have 30 days thereafter to cure such facts or circumstances. If not cured, Mr. Lumley must terminate his employment within six months of the initial occurrence of the facts or circumstances giving rise to "good reason" in order to constitute "good reason." In the case of Messrs. Genito and Martin, he would have 90 days following the occurrence of the facts or circumstances giving rise to "good reason" to give written notice to the Company of his intent to terminate for "good reason," and the Company will have 30 days thereafter to cure such facts or circumstances. In the case of Mr. Rouve, he would have three months following the occurrence of the facts or circumstances giving rise to "good reason" to give written notice of his intent to terminate for "good reason." For more information regarding employment agreements, see "Company Significant Events after Fiscal 2014."

The Fagre Severance Agreement permits the Company to terminate Mr. Fagre's employment at any time upon written notice for any reason. However, in order for such termination by the Company to be treated as a termination for "cause" (as defined below under the heading "Termination and Change in Control Provisions") as a result of Mr. Fagre's (i) willful failure or refusal to perform his duties and responsibilities to the Company or any of its affiliates, or (ii) breach of any of the terms of his severance agreement or any other agreement between Mr. Fagre and the Company, Mr. Fagre must not have remedied or cured such failure, refusal, or breach within a 30-day cure period. Mr. Fagre may also terminate his employment with the Company at any time upon written notice.

The amounts and benefits payable to each such executive upon the termination of such executive's employment in accordance with their employment agreements are further described under the heading "Termination and Change in Control Provisions."

Grant of Restricted Stock to Douglas L. Martin

In connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company, on September 1, 2014, the Company made a one-time grant to Mr. Martin of 28,868 shares of time-based restricted stock. This grant was made under the Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (the "2011 Plan"). This award vested in full on October 1, 2014, and is reflected in the "Stock Awards" column in the Summary Compensation Table below.

Grant of Restricted Stock Units to Andreas Rouve

In connection with his appointment as Chief Operating Officer of the Company, on January 27, 2014, the Company made a one-time grant to Mr. Rouve of 5,155 performance-based restricted stock units under the 2014 EIP. This award is reflected in the "Stock Awards" column in the Summary Compensation Table below.

Compensation Components

For Fiscal 2014, the basic elements of our executive compensation program, as designed by the Compensation Committee, were:

- Base salary;
- A performance-based annual cash incentive program tied to achievement of performance goals in Fiscal 2014, referred to as our Management Incentive Plan (“MIP”);
- A two-year performance and time-based equity incentive program tied to achievement of superior results by the end of Fiscal 2014 and, with respect to 50% of any award earned, continued employment through the end of Fiscal 2015, referred to as the Spectrum 750 Plan; and
- A performance and time-based equity incentive program tied to achievement of performance goals in Fiscal 2014 and, with respect to 50% of any award earned, continued employment through Fiscal 2015, referred to as the Equity Incentive Plan (“EIP”).

In addition, based on individual circumstances, title, position, and responsibilities, each named executive officer received certain other compensation components and prerequisites as described herein.

For Fiscal 2015, the basic elements of our executive compensation program, as designed by our Compensation Committee, remain consistent with those outlined above for Fiscal 2014. The Compensation Committee has established an annual MIP and EIP for Fiscal 2015, with the performance targets and potential award amounts for the named executive officers as described below. The Spectrum 750 Plan was a two-year superior achievement plan which covered Fiscal 2013 and 2014 and has now concluded. The Compensation Committee has established a successor, two-year superior achievement program, “Spectrum \$2B,” as the successor program to the Spectrum 750 Plan.

Base Salary

The annual base salary for each of Messrs. Lumley, Martin, Genito, and Rouve was initially set forth in each executive’s employment agreement, subject to subsequent increases by the Compensation Committee. Mr. Fagre’s base salary was initially set by the Chief Executive Officer at the time he joined the Company in January 2011. In determining the annual base salary reflected in each named executive officer’s employment agreement or in making any subsequent increases, the Compensation Committee considered current market conditions, the Company’s financial condition at the time such compensation levels were determined, compensation levels for similarly situated executives at other companies, experience level, the duties and responsibilities of such executive’s position, and the relative sizes of the business segments they manage. Base salary level is subject to evaluation from time to time by the Compensation Committee to determine whether any increase is appropriate. As of the end of Fiscal 2014, the annual base salaries for the named executive officers were as follows:

<u>Named Executive</u>	<u>Annual Base Salary at FYE</u>
	<u>\$</u>
David R. Lumley	945,000
Douglas L. Martin	550,000
Anthony L. Genito	480,000
Andreas Rouve	459,965*
Nathan E. Fagre	375,000

* The amount in the table above for Mr. Rouve was denominated in Euros and converted to U.S. dollars at the rate of \$1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.

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In October 2013, the Compensation Committee, with the assistance of Towers Watson, conducted a review of the compensation of the named executive officers and determined to increase Mr. Fagre's annual base salary to \$375,000 from \$350,000 effective November 1, 2013, and to increase Mr. Lumley's base salary to \$945,000 from \$900,000, effective December 1, 2013. In February 2014, upon Mr. Rouve's promotion to Chief Operating Officer, the Compensation Committee increased his base salary from €325,000 to €362,600 (or from \$412,269 to \$459,965 when converted to U.S. dollars based on the September 30, 2014 exchange rate disclosed above).

Management Incentive Plan

General Description

Our management personnel, including our named executive officers, participate in the Company's annual performance-based cash bonus program referred to as the Management Incentive Plan (or the "MIP"), which is designed to compensate executives and other managers based on achievement of annual corporate, business segment, and/or divisional goals. Under the MIP, each participant has the opportunity to earn a threshold, target, or maximum bonus amount that is contingent upon achieving the performance goals set by the Compensation Committee and reviewed by the Board of Directors. Particular performance objectives (such as increasing EBITDA) are established prior to or during the first quarter of the relevant fiscal year and reflect the Compensation Committee's views at that time of the critical indicators of Company success in light of the Company's primary business priorities.

The specific financial targets with respect to performance goals are then set by the Compensation Committee based on the Company's annual operating plan, as approved by our Board of Directors. The annual operating plan includes performance targets for the Company as a whole as well as for each business segment. In the case of divisional managers within those business segments, divisional level performance targets have also been established.

Fiscal 2014 MIP Program

The Fiscal 2014 MIP program supported the corporate goals of increased EBITDA growth and free cash flow generation described above under the heading "Philosophy on Performance Based Compensation." The performance goals for Fiscal 2014 were adjusted EBITDA and Free Cash Flow (as defined below), each weighted at 50%.

For Fiscal 2014, "adjusted EBITDA" was defined as earnings (defined as operating income (loss) of the Company plus other income less other expenses) before interest, taxes, depreciation, and amortization and excluding restructuring, acquisition, and integration charges, and other one-time charges. The result of the formula in the preceding sentence was then adjusted so as to negate the effects of acquisitions or dispositions; however, the Compensation Committee had the discretion to determine to include EBITDA from Board-approved acquisitions during the performance period on a case-by-case basis. "Free Cash Flow" meant adjusted EBITDA plus or minus changes in current and long term assets and liabilities, less cash payments for taxes, restructuring and interest, but excluding proceeds from acquisitions or dispositions. Any reductions in Free Cash Flow resulting from transaction costs or financing fees incurred in connection with any acquisition or refinancing approved by the Board of Directors (in each case during the performance period) was added back to Free Cash Flow.

For Messrs. Lumley, Genito, and Fagre, the Fiscal 2014 performance targets were the same as for the Company as a whole. For Mr. Rouve, with respect to adjusted EBITDA, 80% of that target was based on performance of the International operations, and 20% was based on the Company as a whole.

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The target Fiscal 2014 MIP award levels achievable for each participating named executive officer (as set forth in their respective employment agreements) were as follows (Mr. Martin joined the Company on September 1, 2014, and therefore did not participate in the Fiscal 2014 MIP):

<u>Named Executive</u>	<u>MIP Target as % of Annual Base</u>
David R. Lumley	115%
Anthony L. Genito	100%
Andreas Rouve	75%
Nathan E. Fagre	60%

The 2014 MIP plan design had a minimum financial threshold for each of adjusted EBITDA and Free Cash Flow, below which there was no payout with respect to that objective. The achievement of the goals of adjusted EBITDA and Free Cash Flow were determined and earned independently of one another. The table below reflects for each named executive officer the percentage of his target award achievable pursuant to the performance goals applicable to his award, the performance required to achieve the threshold, target, and maximum payouts based on those performance goals, and the actual 2014 payout factors achieved.

NEO	<u>Performance Metric</u>	<u>Weight (% of Target Bonus)</u>	<u>Performance Required to Achieve Bonus % Indicated(in millions)</u>			<u>Calculated 2014 Payout Factor (% of Target Bonus)</u>
			<u>Threshold (50%)</u>	<u>Target (100%)</u>	<u>Maximum (200%, 250% for Mr. Lumley)</u>	
David R. Lumley	Consolidated					
Anthony L. Genito	Adjusted EBITDA	50%	\$ 690.0	\$710.0	\$ 773.9	122.06
Nathan E. Fagre	Consolidated Free Cash Flow	50%	\$ 254.0	\$340.0	\$ 370.6	100.00
Andreas Rouve	Consolidated					
	Adjusted EBITDA	10%	\$ 690.0	\$710.0	\$ 773.9	122.06
	Consolidated International EBITDA	40%	\$ 228.0	\$246.0	\$ 268.1	119.57
	Consolidated Free Cash Flow	50%	\$ 254.0	\$340.0	\$ 370.6	100.00

Fiscal 2015 MIP Program

The Fiscal 2015 MIP program continues to follow the plan design from previous years, with the same corporate goals of increasing EBITDA growth and Free Cash Flow generation (each as defined above). For the Fiscal 2015 MIP the performance goals and weights, as well as the definitions of adjusted EBITDA and Free Cash Flow, are the same as described above for the Fiscal 2014 MIP, provided that the performance targets for each of Messrs. Lumley, Martin, Rouve, and Fagre are equal to those established for the Company as a whole and are not subdivided with regard to the performance of specific business segments or units.

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The Fiscal 2015 MIP award levels achievable at target for the continuing named executive officers are as follows (Mr. Genito is not participating in the Fiscal 2015 MIP due to his departure from the Company):

<u>Named Executive</u>	<u>MIP Target as % of Annual Base</u>
David R. Lumley	115%
Douglas L. Martin	90%
Andreas Rouve ⁽¹⁾	75%
Nathan E. Fagre	60%

(1) Mr. Rouve's Fiscal 2015 MIP target was increased in connection with his promotion to Chief Executive Officer. See "Company Significant Events after Fiscal 2014."

The Fiscal 2015 MIP plan design has a minimum financial threshold for each of adjusted EBITDA and Free Cash Flow, below which there will be no payout with respect to that objective. The achievement of the goals of adjusted EBITDA and Free Cash Flow are determined and earned independently of one another. The named executive officer must be an active employee of the Company on the payout date in order to receive any earned awards. In addition, in the discretion of the Chief Executive Officer, the Company may issue up to a total of \$10 million in equity awards to designated participants in lieu of any cash bonuses earned under the Fiscal 2015 MIP. The table below reflects for each named executive officer the percentage of his target award achievable pursuant to the performance goals applicable to his award, and the performance required to achieve the threshold, target, and maximum payouts based on those performance goals.

<u>NEO</u>	<u>Performance Metric</u>	<u>Weight (% of Target Bonus)</u>	<u>Performance Required to Achieve Bonus % Indicated (\$ in millions)</u>		
			<u>Threshold (50%)</u>	<u>Target (100%)</u>	<u>Maximum (200%; 250% for Mr. Lumley)</u>
David R. Lumley	Consolidated Adjusted EBITDA	50%	\$ 724.2	\$760.0	\$ 798.0
Douglas L. Martin	Consolidated Free Cash Flow	50%	\$ 360.0	\$400.0	\$ 436.0
Nathan E. Fagre					
Andreas Rouve					

Spectrum 750 Plan

During Fiscal 2012, the Compensation Committee, in consultation with members of management, its independent compensation consultant, and outside counsel for the Compensation Committee, adopted a multi-year superior achievement program to promote the attainment of stretch goals for key financial performance metrics for a two-year performance period consisting of Fiscal 2013 and Fiscal 2014 (the "750 Performance Period"). Because the program included a goal of achieving adjusted EBITDA of \$750 million in Fiscal 2014, the program is referred to as the "Spectrum 750 Plan" or "Spectrum 750."

The Spectrum 750 Plan was a two-year superior achievement program, with three key performance targets: (1) achieving adjusted EBITDA of at least \$750 million in Fiscal 2014; (2) achieving cumulative Free Cash Flow over Fiscal 2013 and Fiscal 2014 of at least \$550 million; and (3) achieving an earnings per share (EPS) metric in Fiscal 2014 of at least \$5.00 per share. In terms of potential award payouts, 40% of the award was based on adjusted EBITDA, 40% on cumulative Free Cash Flow, and 20% on the EPS metric. Earning awards for these metrics were independent of one another. In addition, there would be no payout with respect to a metric if the target financial goal for that metric was not achieved as of September 30, 2014.

Participants in the Spectrum 750 Plan had the opportunity to earn additional award amounts based on achievement in excess of the performance targets. The overachievement performance targets and weighting were

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as follows: (1) 40% of the overachievement award was based on adjusted EBITDA of \$800 million as of September 30, 2014; (2) 40% of the overachievement award was based on cumulative Free Cash Flow of \$600 million for Fiscal 2013 and 2014 combined; and (3) 20% of the overachievement award was based on EPS of \$6.00 per share for Fiscal 2014. Awards were subject to adjustment based on linear interpolation for performance in excess of target.

For purposes of determining achievement of the targets under the Spectrum 750 Plan, the Compensation Committee established the following definitions:

“Adjusted Diluted EPS” means GAAP diluted income per share adjusted for the following items as they relate to the calculation of net income: acquisition and integration related charges, restructuring and related charges, one-time debt refinancing costs, inventory fair-value adjustments related to acquisitions, discontinued operations, stock-based compensation amortization related to the Spectrum 750 Plan, the 2013 EIP, and the 2014 EIP, and normalizing the consolidated tax rate at 35 percent. “Adjusted EBITDA” means earnings (defined as operating income (loss) of the Company plus other income less other expenses) before interest, taxes, depreciation, and amortization and excluding restructuring, acquisition, and integration charges, discontinued operations, and other one-time charges. The result of the formula in the preceding sentence was then adjusted so as to negate the effects of acquisitions or dispositions; provided, however that Adjusted EBITDA resulting from businesses or products lines acquired (in Board-approved transactions) during the 750 Performance Period were subject to inclusion in the calculation from the date of acquisition subject to Compensation Committee approval. EBITDA as a result of the Company’s acquisition of HHI (including TLM), and a majority interest in Shaser, Inc. were included in the calculation of Adjusted EBITDA. “Cumulative Free Cash Flow” means the cumulative amount during the 750 Performance Period of Adjusted EBITDA plus or minus changes in current and long term assets and liabilities, less cash payments for taxes, restructuring, and interest, but excluding proceeds from acquisitions or dispositions. Any reductions in Cumulative Free Cash Flow resulting from transaction costs or financing fees incurred in connection with any Board-approved acquisition, disposition, or refinancing (in each case during the 750 Performance Period) could be added back to Cumulative Free Cash Flow. Cumulative Free Cash Flow as a result of the acquisition of a majority of Shaser, Inc. and as a result of the acquisitions of HHI and TLM, following the dates of their respective acquisitions, were included in the calculation of Cumulative Free Cash Flow.

Payment and Vesting; Eligibility

Under the Spectrum 750 Plan, awards were denominated in dollars but paid out in RSUs or shares of restricted stock based upon fair market value as of September 30, 2014. Each participant was granted a target dollar value. The RSUs or restricted stock earned will be issued under the 2011 Plan. If the applicable performance criteria were met as of September 30, 2014, 50% of the award was required to be paid in fully vested RSUs or restricted stock within 74 days of the close of Fiscal 2014, and 50% was required to be paid in RSUs or restricted stock which vest one year from the prior vesting date, subject to continued employment and any other applicable terms in the underlying award agreement. There were approximately 150 participants in the Spectrum 750 Plan.

The Spectrum 750 Plan also required that the named executive officers, presidents of major business units, and seven other senior executives who receive RSUs or restricted stock pursuant to the plan adhere to certain share retention requirements. In this regard, these participants are required to hold at least 25% of the shares they receive (net of shares sold or withheld by the Company for tax purposes) for a one-year period after the date the shares vest.

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Awards Under the Spectrum 750 Plan

In early Fiscal 2013, the Company's Board of Directors, upon the recommendation of the Compensation Committee, approved the following award opportunities under the Spectrum 750 Plan for the Company's named executive officers (Mr. Martin is not included in this table because he was not a participant in the 750 Plan):

Name	Value of RSUs or Restricted Stock Granted (in \$)		
	Award at Target	Award at Maximum Overachievement	Total
David R. Lumley	\$10,000,000	\$ 5,000,000	\$15,000,000
Anthony L. Genito	\$ 3,500,000	\$ 1,500,000	\$ 5,000,000
Andreas Rouve	\$ 775,000	\$ 271,250	\$ 1,046,250
Nathan E. Fagre	\$ 350,000	\$ 122,500	\$ 472,500

Based on performance results for the Spectrum 750 Performance Period, Mr. Lumley earned \$6,000,000, which was converted into 66,276 RSUs; Mr. Genito earned \$1,988,000, which was converted into 21,959 RSUs; Mr. Rouve earned \$418,500, which was converted into 4,622 RSUs; and Mr. Fagre earned \$189,000, which was converted into 2,087 RSUs, in each case, 50% of which were vested on December 1, 2014 and 50% of which shall vest on December 1, 2015.

Spectrum \$2B Plan

During Fiscal 2014 and 2015, the Compensation Committee, in consultation with members of management, its independent compensation consultant, and outside counsel for the Compensation Committee, reviewed and evaluated the success of the Spectrum 750 Plan in light of its original objectives of incentivizing senior management to drive the Company's performance in excess of forecasted levels during Fiscal 2013 and 2014. The Compensation Committee determined Spectrum 750 had succeeded in driving accelerated growth of stockholder value during the 2-year performance period, even though of the three metrics, one was achieved. In designing a successor multi-year plan, the Compensation Committee selected financial performance metrics and targets that similarly would promote significant stockholder value creation. The metrics and targets provide strong incentives to management throughout the 2-year performance cycle as they are challenging, but attainable. Because the successor program includes a goal of achieving \$2 billion of value creation by the end of Fiscal 2016, the program is referred to as the "Spectrum \$2B Plan" or "Spectrum \$2B."

The Compensation Committee is retaining the same performance metrics for the Spectrum \$2B Plan that were used for Spectrum 750 (i.e., Adjusted EBITDA, Cumulative Free Cash flow, and Adjusted Diluted EPS). Similarly, Spectrum \$2B is a two-year superior achievement program with the following key performance targets: (1) achieving Adjusted EBITDA of at least \$800 million in Fiscal 2016; (2) achieving Cumulative Free Cash Flow over Fiscal 2015 and 2016 of at least \$800 million; and (3) achieving Adjusted Diluted EPS in Fiscal 2016 of at least \$5.00 per share. In terms of potential award payouts, 40% of the award is based on Adjusted EBITDA, 40% on Cumulative Free Cash Flow, and 20% on Adjusted Diluted EPS. In addition, there would be no payout with respect to a metric if the performance target is not fully achieved as of September 30, 2016.

Participants in Spectrum \$2B have the opportunity to earn additional award amounts based on achievement in excess of the performance targets. The overachievement performance targets and weighting are as follows: (1) 40% of the overachievement award is based on Adjusted EBITDA of \$835 million as of September 30, 2016, with linear interpolation of the award if Adjusted EBITDA is between \$800 million and \$835 million for Fiscal 2016; (2) 40% is based on Cumulative Free Cash flow of \$875 million for Fiscal 2015 and 2016 combined, with linear interpolation of the award if such metric is between \$800 million and \$875 million for Fiscal 2015 and 2016 combined; and (3) 20% is based on Adjusted Diluted EPS of \$5.25 per share for Fiscal 2016, with linear interpolation of the award if such metric is between \$5.00 and \$5.25 per share for Fiscal 2016. Under the Spectrum \$2B Plan, maximum payout under each of the performance measures will be reduced by half if the performance on the remaining measures is less than 90 percent of target on each.

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Under the plan design, awards are denominated in dollars and will be payable in RSUs based on the fair market of the Company's shares as of September 30, 2016. Accordingly, there is a target dollar value for the awards to be earned by the named executive officers and other plan participants. If the above performance measures are satisfied as of September 30, 2016, then 50% of the award will be paid in fully vested RSUs within 74 days after the end of Fiscal 2016, and 50% will be paid in RSUs which vest on the first anniversary of the initial vesting date. The named executive officers are required to retain at least 50% of the shares they receive upon vesting (net of any shares withheld by the Company upon vesting for tax purposes) for two years after vesting. There are approximately between 150 and 200 participants in the plan.

In early Fiscal 2015, the Company's Board of Directors, upon the recommendation of the Compensation Committee, approved the following award opportunities under the Spectrum \$2B Plan for the Company's continuing named executive officers (Mr. Lumley is not a participant in the \$2B Plan):

Name	Value of RSUs or Restricted Stock Granted (in \$)		
	Award at Target	Award at Maximum Overachievement	Total
Douglas L. Martin	\$2,000,000	\$ 500,000	\$2,500,000
Andreas Rouve	\$2,000,000	\$ 500,000	\$2,500,000
Nathan E. Fagre	\$ 750,000	\$ 187,500	\$ 937,500

Equity Incentive Plans Background

2014 EIP

The 2014 EIP program is consistent with our prior years' EIP programs. In this regard, awards under the 2014 EIP for all participants were made in the form of performance-based RSUs, and the award agreements provide that the RSUs will vest based on the achievement of the performance goals set for the Company for Fiscal 2014 and on the continued employment of the participant through the fiscal year performance cycle. The Company performance goals are adjusted EBITDA and Free Cash Flow, and the targets are as set forth in the Company's Annual Operating Plan approved by the Board of Directors. The weighting of these goals is 50% for adjusted EBITDA and 50% for Free Cash Flow.

The two performance goals are earned independently of one another. For the Free Cash Flow goal, achievement is measured on a consolidated Company-wide basis for all the named executive officers (for 50% of their target awards). For the adjusted EBITDA goal, with respect to Messrs. Lumley, Genito, and Fagre, achievement is also measured on a Company-wide basis (for the remaining 50% of their target awards). For Mr. Rouve, achievement of the adjusted EBITDA goal is measured both on a Company-wide basis (for 10% of his total target award) and on adjusted EBITDA for the consolidated international operations (for 40% of his total target award).

The potential 2014 RSUs that could be earned by each participating named executive officer in respect of the 50% of the award based on adjusted EBITDA (expressed as a percentage of that portion of the award amount), ranged from 50% for achievement of the threshold adjusted EBITDA performance level established by the Compensation Committee, 100% for achieving the goal in full at the target performance level, and up to a maximum of 150% of the target award if actual performance reached or exceeded the specified upper achievement threshold. For the 50% of the award based on Free Cash Flow, the named executive officers could earn 50% of this portion of the award for achievement of the threshold Free Cash Flow performance level, 100% for achieving the goal in full at the target performance level, and up to a maximum of 135% of the target award if actual performance reached or exceeded the specified upper achievement threshold. The award agreements for the 2014 EIP provided that if an award is earned for Fiscal 2014, then 50% of the RSUs awarded would vest as soon as practicable after certification of the results by the Compensation Committee, but no later than 74 days following the end of Fiscal 2014, and 50% would vest on the first anniversary of the initial vesting date, subject to continued employment on such anniversary. Performance between threshold and target levels, and between

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target and maximum levels, would be earned based on a linear curve between the various levels. If both applicable threshold performances were not achieved, then no RSUs would be earned under the 2014 EIP.

The plan design for the 2014 EIP was such that the minimum thresholds for earning any award under either goal were set at the level of the prior year's actual performance. The Compensation Committee also provided in the award agreements for the named executive officers in the 2014 EIP program that such officers were required to hold at least 25% of the net shares they receive (after any shares withheld by the Company for tax purposes) for at least one year. In addition, the named executive officers, and all other officers at the Vice President level or higher, were subject to the share ownership guidelines discussed below.

The table below reflects for each participating named executive officer the RSU award amount, the performance metrics established by the Compensation Committee, the weighting of each performance metric, the percentage of his target award achievable pursuant to the performance goals applicable to his award, the performance required to achieve the threshold, target, and maximum vesting eligibility based on those performance goals, and the percentage payout factor actually achieved (Mr. Martin is not included in this table because he was not a participant in the 2014 EIP):

NEO (# of RSUs Awarded)	Performance Metric	Weight (% of Target Award)	Performance Required to Be Eligible To Vest – Indicated % of RSUs (\$ in millions)			Calculated 2014 Payout Factor (% of Target Bonus)
			Threshold (50%)	Target (100%)	Maximum (150% for Adjusted EBITDA; 135% for Free Cash Flow)	
David R. Lumley (84,398)	Consolidated Adjusted EBITDA	50%	\$ 690.0	\$710.0	\$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	\$ 254.0	\$340.0	\$ 370.6	100.00%
Anthony L. Genito (38,363)	Consolidated Adjusted EBITDA	50%	\$ 690.0	\$710.0	\$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	\$ 254.0	\$340.0	\$ 370.6	100.00%
Andreas Rouve (25,523)	Consolidated Adjusted EBITDA	50%	\$ 690.0	\$710.0	\$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	\$ 254.0	\$340.0	\$ 370.6	100.00%
Nathan E. Fagre (19,949)	Consolidated Adjusted EBITDA	50%	\$ 690.0	\$710.0	\$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	\$ 254.0	\$340.0	\$ 370.6	100.00%

Of the RSUs granted as listed above, a portion of the granted amount constitutes an award for overachievement of the financial targets. For Mr. Lumley, this portion is 6,472 RSUs; for Mr. Genito, 2,942 RSUs; for Mr. Rouve, 1,958 RSUs; and for Mr. Fagre, 1,530 RSUs. These RSUs will vest on the first anniversary of the initial vesting date, on December 1, 2015, so long as the recipient remains employed with the Company on such date and the Fiscal 2015 levels of adjusted EBITDA and consolidated free cash flow are at least as great as the Fiscal 2014 results.

2015 EIP

The 2015 EIP program continues to be consistent with the design of our prior years' EIP programs. As with prior years, awards under the 2015 EIP for all participants are made in the form of performance-based RSUs, and the award agreements will provide that RSUs will vest based on the achievement of the performance goals set for the Company for Fiscal 2015 and on the continued employment of the participant through the fiscal year performance cycle. As with prior years, for the 2015 EIP the Company performance goals are adjusted EBITDA and Free Cash Flow, and the targets are as set forth in the Company's Annual Operating Plan approved by the Board of Directors. The weighting of these two goals is 50% for adjusted EBITDA and 50% for Free Cash Flow.

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As with prior years, under the 2015 EIP the two performance goals are earned independently of one another. For the 2015 EIP, the achievement of the performance goals for each of Messrs. Lumley, Martin, Rouve, and Fagre are measured on a consolidated Company-wide basis and are not subdivided with regard to the performance of specific business segments or units.

The potential 2015 RSUs that may be earned for each of our participating named executive officers, for the 50% of the award based on adjusted EBITDA, expressed as a percentage of that portion of the award amount, range from 50% for achievement of the threshold adjusted EBITDA performance level established by the Compensation Committee of \$724.2 million, 100% for achieving the performance goal in full at the target performance level of \$760.0 million, and up to a maximum of 135% of the target award if actual performance reaches or exceeds the upper achievement threshold of \$798.0 million. For the 50% of the award based on Free Cash Flow, the named executive officers could achieve 50% of this portion of the award for achievement of the threshold Free Cash Flow performance level of \$360.0 million, 100% for achieving the performance goal in full at the target performance level of \$400.0 million, and up to a maximum of 135% of the target award if actual performance reaches or exceeds the upper achievement threshold of \$424.0 million.

The 2015 EIP design has a minimum financial threshold for each of adjusted EBITDA and Free Cash Flow, set at the level of better than the prior year's actual performance, below which there will be no payout with respect to that objective. The award agreements for the 2015 EIP provide that if an award is earned for Fiscal 2015, then 50% of the RSUs awarded would vest as soon as practicable after certification of the results by the Compensation Committee, but no later than 74 days following the end of Fiscal 2015, and 50% would vest on the first anniversary of the initial vesting date, subject to continued employment on such anniversary. Performance between threshold and target levels, and between target and maximum levels, would be earned based on a linear curve between the various levels. If both applicable threshold performances are not achieved, then no RSUs will be earned. The Compensation Committee also will provide in the award agreements for the named executive officers in the 2015 EIP program that such officers are required to hold at least 25% of the net shares they receive (after any shares withheld by the Company for tax purposes) for at least one year. In addition, the named executive officers, and all other officers at the Vice President level or higher, are subject to the share ownership guidelines discussed below.

Other Compensation Matters

Stock Ownership Guidelines

The Board of Directors believes that certain of the Company's officers should own and hold Company common stock to further align their interests with the interests of stockholders and to further promote the Company's commitment to sound corporate governance. Therefore, effective January 29, 2013, the Board of Directors, upon the recommendation of the Compensation Committee, established stock ownership guidelines applicable to the Company's named executive officers and all other officers of the Company and its subsidiaries with a level of Vice President or above.

Under the stock ownership guidelines, the applicable officers are expected to achieve the levels of stock ownership indicated below (which equal a dollar value of stock based on a multiple of the officer's base salary) in the applicable time periods:

Position	\$ Value of Stock to be Retained (Multiple of Base Salary)	Years to Achieve
Chief Executive Officer	5x Base Salary	2 years
Chief Financial Officer, Chief Operating Officer, and Presidents of business units	3x Base Salary	2 years
General Counsel and Senior Vice Presidents	2x Base Salary	3 years
Vice Presidents	1x Base Salary	3 years

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The stock ownership levels attained by an officer are based on shares directly owned by the officer, whether through earned and vested RSU or restricted stock grants or open market purchases. Unvested restricted shares, unvested RSUs, and stock options are not counted toward the ownership goals. The Compensation Committee reviews, on an annual basis, the progress of the officers in meeting the guidelines, and in some circumstances failure to meet the guidelines by an officer could result in additional retention requirements or other actions by the Compensation Committee.

In addition, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, business unit Presidents, the General Counsel, and six other officers also are subject to an additional stock retention requirement that they must retain at least 25% of their net shares of Company stock (after tax withholding) received under awards granted under the Fiscal 2014 EIP, Fiscal 2015 EIP, and Spectrum 750 Plan for one year after the vesting date of such awards. Under the terms of the Spectrum \$2B Plan, all participants at the level of Vice President or higher will be subject to the 50% stock retention requirement (net of tax withholding) for two years after the date of vesting of awards under that plan.

Deferral and Post-Termination Rights

Retirement Benefits

The Company maintains a 401(k) plan for its employees, including the named executive officers.

Supplemental Executive Life Insurance Program

Each of Messrs. Lumley, Martin, and Genito participates in a program pursuant to which the Company on behalf of each participant makes an annual contribution on October 1 each year equal to 15% of such participant's base salary as of that date into a company-owned executive life insurance policy for such participant. The investment options for each such policy are selected by the participant from among a limited number of alternatives provided by the insurance provider.

Post-Termination Benefits

As described above, the Company has entered into agreements with Messrs. Lumley, Martin, Rouve, and Fagre which govern, among other things, post-termination benefits payable to each such named executive officer should his employment with the Company terminate. In addition, Spectrum Brands has entered into the Genito Retention Agreement which provides for certain benefits and compensation to Mr. Genito in connection with his termination of employment with the Company. A detailed description of the post-termination rights and benefits pursuant to each of the agreements described in this paragraph is set forth under the heading "Termination and Change in Control Provisions" below.

Perquisites and Benefits

The Company provides certain limited perquisites and other special benefits to certain executives, including the named executive officers. Among these benefits are financial planning services, tax planning services, car allowances or leased car programs, executive medical exams, and executive life and disability insurance.

Timing and Pricing of Stock-Based Grants

The Company currently does not issue stock options to any officers or employees. Traditionally, annual grants of restricted stock or RSUs to our named executive officers are made on the date or as soon as practicable following the date on which such grants are approved by the Compensation Committee or the Board, or, if the award dictates the achievement of a particular event prior to grant, as soon as practicable after the achievement of such event. For purposes of valuing awards made under the 2011 Plan, the grant price is the closing sales price of the Company's common stock on the exchange on which the Company's shares are listed on the grant date.

Tax Treatment of Certain Compensation

Pursuant to Section 162(m) of the Internal Revenue Code, the Company may not be able to deduct certain forms of compensation paid to its Chief Executive Officer and the three other most highly compensated named executive officers (other than the Chief Financial Officer) who remain employed at the end of a fiscal year to the extent such compensation exceeds \$1,000,000. This section also includes an exception for certain performance-based compensation awards. While the Compensation Committee believes that it is generally in the Company's best interests to satisfy these deductibility requirements, it retains the right to authorize payments in excess of the deductibility limits if it believes it to be in the interests of the Company and its stockholders. The Company has had in the past, and specifically reserves the right to have in the future, instances where it pays compensation to its executives that exceeds the deductibility limits.

Tax Payments

The Company provides increases in payments to the named executive officers and other management personnel to cover personal income tax due as a result of imputed income in connection with the provision of the following perquisites: car allowance or company leased car, financial planning and tax planning and executive life and disability insurance, and Company-required relocation. Beyond these tax payments, the Company does not make any other payments to the named executive officers to cover personal income taxes.

Governing Plans

On October 21, 2010, our Board of Directors approved the 2011 Plan, subject to the approval of the stockholders at the 2011 Annual Meeting. The 2011 Plan was subsequently approved at the 2011 Annual Meeting. At the 2014 Annual Meeting, our stockholders approved an amendment to the 2011 Plan to increase by 1,000,000 the number of shares of Common Stock available for issuance under the 2011 Plan, for an aggregate total of 5,625,676 shares. As of December 8, 2014, we have issued a total of 4,657,088 restricted shares and RSUs under the 2011 Plan, and have remaining authorization under the 2011 Plan to issue up to a total of 968,588 shares of our common stock, or options or restricted stock units exercisable for shares of common stock.

Clawback/Forfeiture and Recoupment Policy

Under the 2011 Plan, any equity award agreement granted may be cancelled by the Compensation Committee in its sole discretion, except as prohibited by applicable law, if the participant, without the consent of the Company, while employed by or providing services to the Company or any affiliate or after termination of such employment or service, violates a non-competition, non-solicitation, or non-disclosure covenant or agreement or otherwise engages in activity that is in conflict with or adverse to the interests of the Company or any affiliate, including fraud or conduct contributing to any financial restatements or irregularities engaged in activity, as determined by the Compensation Committee in its sole discretion. The Compensation Committee may also provide in any award agreement that the participant will forfeit any gain realized on the vesting or exercise of such award, and must repay the gain to the Company, in each case except as prohibited by applicable law, if (a) the participant engages in any activity referred to in the preceding sentence, or (b) the amount of any such gain is in excess of what the participant should have received under the terms of the award for any reason (including without limitation by reason of a financial restatement, mistake in calculations, or other administrative error). Additionally, awards are subject to claw-back, forfeiture, or similar requirements to the extent required by applicable law (including without limitation Section 302 of the Sarbanes-Oxley Act and Section 954 of the Dodd Frank Act). All equity awards that have been granted under the 2011 Plan to date include such provisions.

Executive Compensation Tables

The following tables and footnotes show the compensation earned for service in all capacities during Fiscal 2014, Fiscal 2013, and Fiscal 2012 by the Company's named executive officers. The Stock Awards itemized below for the named executive officers for Fiscal 2012 reflect the 2012 EIP awards and, with respect to

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Mr. Fagre only, a restricted stock award. For 2013, the Stock Awards for the named executive officers include the 2013 EIP awards, the HHI Integration Bonus awards (with respect to Mr. Lumley and Mr. Genito), and the Spectrum 750 Plan awards. For 2014, the Stock Awards for the named executive officers include the 2014 EIP awards, and, with respect to Mr. Martin, a one-time restricted stock grant made in connection with joining the Company and his forfeiture of equity awards at his former employer.

Summary Compensation Table

Name and Principal Position ⁽¹⁾	Year	Salary \$	Bonus \$	Stock Awards ⁽²⁾ \$	Non-Equity Incentive Plan Compensation ⁽³⁾ \$	All Other Compensation ⁽⁴⁾ \$	Total \$
David R. Lumley	2014	939,375	—	5,500,017	1,206,619	123,918	7,769,929
Chief Executive Officer and President	2013	882,692	—	16,837,640	1,035,000	108,710	18,864,041
	2012	882,692	—	4,665,500	1,417,950	92,742	7,058,866
Douglas L. Martin	2014	45,833	845,000 ⁽⁵⁾	2,500,000	—	—	3,390,833
Executive Vice President and Chief Financial Officer							
Anthony L. Genito ⁽⁶⁾	2014	480,000	—	2,500,014	532,944	101,294	3,614,252
Executive Vice President and Chief Accounting Officer; former Chief Financial Officer	2013	470,769	—	7,157,948	480,000	122,058	8,230,775
	2012	439,744	—	2,388,865	657,600	130,691	3,616,900
Andreas Rouve ⁽⁷⁾	2014	452,659	—	1,650,038	372,519	16,063	2,491,279
Chief Operating Officer	2013	439,397	—	1,661,400	354,897	14,062	2,469,757
Nathan E. Fagre	2014	372,917	—	1,300,013	249,818	31,139	1,953,887
Senior Vice President, General Counsel and Secretary	2013	343,269	—	1,014,800	210,000	39,359	1,607,428
	2012	315,064	—	444,225	287,700	117,713	1,164,702

(1) Titles included in this column are as of September 30, 2014.

(2) For Fiscal 2014, this column reflects grants of performance-based restricted stock units under the 2014 EIP, and, with respect to Mr. Martin only, under the 2011 Plan relating to a one-time grant of 28,868 shares of time-based restricted stock granted on September 1, 2014 in connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company. For Fiscal 2013, this column reflects grants of performance-based restricted stock units under the 2013 EIP, a one-time special incentive integration bonus award in connection with the acquisition of the hardware and home improvement business from Stanley Black & Decker, Inc., and grants under the Spectrum 750 Plan. For Fiscal 2012, this column reflects grants of performance-based restricted stock units under the 2012 EIP, and, with respect to Mr. Fagre only, under the 2011 Plan relating to a one-time grant of 5,000 shares of restricted stock. This column reflects the aggregate grant date fair value of the awards computed in accordance with ASC Topic 718. For a discussion of the relevant valuation assumptions, see Note 2(s), “Significant Accounting Policies and Practices—Stock Compensation,” to our audited Consolidated Financial Statements, included elsewhere in this prospectus. The performance-based restricted stock unit awards are subject to performance conditions and the values listed in this column with respect to such awards are based on the probable outcome of such conditions at target as of the grant date. If the conditions for the highest level of performance are achieved, the value of the awards would be as follows (with the exception of Mr. Martin, who did not receive any grants of performance-based RSUs in Fiscal 2014): Mr. Lumley (2014—\$7,810,030; 2013—\$23,561,200, which includes \$15,000,000 under Spectrum 750; and 2012—\$6,220,649); Mr. Genito (2014—\$3,550,033; 2013—\$9,519,706, which includes \$5,000,000 under Spectrum 750; and 2012—\$3,185,171); Mr. Rouve (2014—\$2,343,048; and 2013—\$2,242,890, which includes \$1,046,250 under Spectrum 750); and Mr. Fagre (2014—\$1,846,020; 2013—\$1,369,980, which includes \$472,500 under Spectrum 750; and 2012—\$376,250). At the lowest level of performance, the performance-based restricted stock unit awards are forfeited.

(3) For Fiscal 2014, 2013, and 2012, this column represents amounts earned under the Company’s 2014, 2013, and 2012 MIP, as applicable. For additional detail on the 2014 MIP and the determination of the cash awards thereunder, please refer to the discussion under the headings “Management Incentive Plan” and “Long Term Incentive Plans Background,” and the table entitled “Grants of Plan-Based Awards Table for Fiscal Year 2014” and its accompanying footnotes. The cash incentive awards payable under the 2014 and 2013 MIP for Messrs. Lumley, Genito, Rouve, and Fagre were settled in shares of common stock in lieu of cash on December 2, 2013 and December 5, 2014, respectively, as follows: Mr. Lumley—16,049 shares for the 2013 MIP and 13,336 shares for the 2014 MIP; Mr. Genito—7,433 shares for the 2013 MIP and 5,890 shares for the 2014 MIP; Mr. Rouve—5,495 shares for the 2013 MIP and 4,117 shares for the 2014 MIP; and Mr. Fagre—3,256 shares for the 2013 MIP and 2,761 shares for the 2014 MIP. The values of these awards

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under the 2013 MIP (while settled in common stock) are included in the “Non-Equity Incentive Plan Compensation” column above for 2013 and not in the “Stock Awards” column.

- (4) Please see the following tables for the details of the amounts that comprise the All Other Compensation column.
- (5) Represents a signing bonus of \$345,000 and a relocation bonus of \$500,000 earned by Mr. Martin in Fiscal 2014, and payable in cash, in connection with his appointment as Executive Vice President and Chief Financial Officer of the Company.
- (6) On April 29, 2014, the Company and Mr. Genito agreed that, effective December 31, 2014 (or such other date that is agreed to), Mr. Genito would resign from all positions he held with the Company. Mr. Genito resigned from his position as Chief Financial Officer on August 31, 2014. He remained employed by the Company through his date of departure, which was January 2, 2015.
- (7) All amounts in the table above for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of \$1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.

All Other Compensation Table for Fiscal Year 2014

Name	Financial Planning Services Provided to Executive \$	Life Insurance Premiums Paid on Executive's Behalf(1) \$	Car Allowance/ Personal Use of Company Car(2) \$	Tax Equalization Payments(3) \$	Company Contributions to Executive's Qualified Retirement Plan(4) \$	Health Care Insurance Bonus \$	Total
David R. Lumley	30,000	17,577	17,929	50,675	7,737	—	123,918
Douglas L. Martin	—	—	—	—	—	—	—
Anthony L. Genito	20,000	7,488	22,786	43,470	7,550	—	101,294
Andreas Rouve(5)	—	364	10,896	—	—	4,803	16,063
Nathan E. Fagre	—	3,396	18,000	1,837	7,906	—	31,139

- (1) The amount represents the life insurance premium paid for the fiscal year. The Company provides life insurance coverage equal to three times base salary for each executive officer.
- (2) The Company sponsors a leased car and car allowance program. Under the leased car program, costs associated with using the vehicle are also provided. These include maintenance, insurance, and license and registration. Under the car allowance program, the executive receives a fixed monthly allowance. Mr. Lumley and Mr. Genito participated in the leased car program. Mr. Fagre received up to \$1,500 per month for a car allowance.
- (3) Includes tax payments for the financial benefits received for the following executive benefits and perquisites: financial planning, executive life insurance, and executive leased car program, as described under the heading “Tax Payments.”
- (4) Represents amounts contributed under the Company-sponsored 401(k) retirement plan.
- (5) All amounts in the table above for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of \$1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.

Grants of Plan-Based Awards

The following table and footnotes provide information with respect to equity grants made to the named executive officers indicated in the table during Fiscal 2014 as well as the range of future payouts under non-equity incentive plans for the named executive officers.

Grants of Plan-Based Awards Table for Fiscal Year 2014

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units #	Grant Date Fair Value of Stock and Option Awards(3) \$
		Threshold \$	Target \$	Maximum \$	Threshold #	Target #	Maximum #		
David R. Lumley	10/1/2013 ⁽¹⁾ 11/29/2013 ⁽²⁾	271,688	1,086,750	2,716,875					
					19,482	77,926	110,655		5,500,017
Douglas L. Martin	8/29/2014 ⁽⁴⁾							28,868	2,500,000
Anthony L. Genito	10/1/2013 ⁽¹⁾ 11/29/2013 ⁽²⁾	120,000	480,000	960,000					
					8,855	35,421	50,298		2,500,014
Andreas Rouve	10/1/2013 ⁽¹⁾ 11/29/2013 ⁽²⁾ 1/27/2014 ⁽⁵⁾	86,243	344,974	689,948					
					4,605	18,419	26,155		1,300,013
					1,289	5,155	7,320		350,025
Nathan E. Fagre	10/1/2013 ⁽¹⁾ 11/29/2013 ⁽²⁾	56,250	225,000	450,000					
					4,605	18,419	26,155		1,300,013

- (1) Represents the threshold, target, and maximum payouts under the Company’s 2014 MIP. The actual amounts earned under the plan for Fiscal 2014 are disclosed in the Summary Compensation Table above as part of the column entitled “Non-Equity Incentive Plan Compensation.” For Mr. Lumley, the maximum payout is equal to 250% of target, while the maximum payout for Messrs. Martin, Genito, Rouve, and Fagre is equal to 200% of target. Amounts disclosed for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of \$1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.
- (2) Represents the threshold, target, and maximum payouts, denominated in the number of shares of stock, in respect of performance-based restricted stock units granted under the Company’s 2014 EIP. See “Compensation Discussion and Analysis—Equity Incentive Plans Background—2014 EIP” for a discussion of the performance measures applicable to the grants.
- (3) Reflects the value at the grant date based upon the probable outcome of the relevant performance conditions at target. This amount is consistent with the estimate of aggregate compensation costs to be recognized over the service period determined as of the grant date under FASB ASC Topic 718, excluding the effect of any estimated forfeitures.
- (4) Represents a one-time time-based restricted stock award granted to Mr. Martin on September 1, 2014 in connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company. The aggregate value of the award has been calculated to be equal to the closing price of the Company’s common stock on the last trading date on the NYSE prior to the grant date, which was August 29, 2014, or \$86.60 per share.
- (5) Represents the threshold, target, and maximum payouts, denominated in the number of shares of stock, in respect of a one-time grant of performance-based restricted stock units granted to Mr. Rouve under the Company’s 2014 EIP in connection with Mr. Rouve’s appointment as Chief Operating Officer of the Company.

We refer you to the “Compensation Discussion and Analysis” and the “Termination and Change in Control Provisions” sections of this prospectus as well as the corresponding footnotes to the tables for material factors necessary for an understanding of the compensation detailed in the Summary Compensation Table, All Other Compensation Table for Fiscal Year 2014, and Grants of Plan-Based Awards Table for Fiscal Year 2014.

Outstanding Equity Awards at Fiscal Year End

The following table and footnotes set forth information regarding outstanding restricted stock and restricted stock unit awards as of September 30, 2014 for the named executive officers. The market value of shares that have not vested was determined by multiplying \$90.53, the closing market price of the Company's stock on September 30, 2014, the last trading day of Fiscal 2014, by the number of shares.

Outstanding Equity Awards at 2014 Fiscal Year-End

	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That Have Not Vested \$	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested #	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested \$
David R. Lumley	55,556 ⁽¹⁾	5,029,485	188,387 ⁽²⁾	27,054,641
Douglas L. Martin	28,868 ⁽³⁾	2,613,420	—	—
Anthony L. Genito	27,778 ⁽⁴⁾	2,514,742	74,082 ⁽⁵⁾	6,745,324
Andreas Rouve	10,000 ⁽⁶⁾	905,300	32,135 ⁽⁷⁾	3,684,154
Nathan E. Fagre	7,500 ⁽⁸⁾	678,975	22,285 ⁽⁹⁾	2,367,472

- (1) Represents 55,556 performance-based RSUs granted to Mr. Lumley pursuant to the Company's 2013 EIP. All of these shares or units have been earned but are not vested. The RSUs granted to Mr. Lumley under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.
- (2) Represents 110,461 performance-based RSUs granted to Mr. Lumley pursuant to the Spectrum 750 Plan, and 77,926 performance-based RSUs granted pursuant to the Company's 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. The RSUs granted to Mr. Lumley under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% will vest on December 1, 2015, subject to continued employment and any other applicable terms in the underlying award agreement. The RSUs granted to Mr. Lumley under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) will vest on December 1, 2015, subject to continued employment on that date.
- (3) Represents a one-time time-based vesting restricted stock award granted to Mr. Martin on September 1, 2014 in connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company. This award vested in full on October 1, 2014.
- (4) Represents 27,778 performance-based RSUs granted to Mr. Genito pursuant to the Company's 2013 EIP. All of these shares or units have been earned but are not vested as of September 30, 2014. The RSUs granted to Mr. Genito under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.
- (5) Represents 38,661 performance-based RSUs granted to Mr. Genito pursuant to the Spectrum 750 Plan, and 35,421 performance-based RSUs granted pursuant to the Company's 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. Pursuant to the Genito Retention Agreement, the RSUs granted to Mr. Genito under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% vested 30 days after Mr. Genito's date of termination of employment, which was January 2, 2015. Pursuant to the Genito Retention Agreement, the RSUs granted to Mr. Genito under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) vested 30 days after Mr. Genito's date of termination of employment on January 2, 2015.
- (6) Represents 10,000 performance-based RSUs granted to Mr. Rouve pursuant to the Company's 2013 EIP. All of these shares or units have been earned but are not vested. The RSUs granted to Mr. Rouve under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.

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- (7) Represents 8,561 performance-based RSUs granted to Mr. Rouve pursuant to the Spectrum 750 Plan, and 23,574 performance-based RSUs granted pursuant to the Company's 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. The RSUs granted to Mr. Rouve under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% will vest on December 1, 2015, subject to continued employment and any other applicable terms in the underlying award agreement. The RSUs granted to Mr. Rouve under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) will vest on December 1, 2015, subject to continued employment on that date.
- (8) Represents 7,500 performance-based RSUs granted to Mr. Fagre pursuant to the Company's 2013 EIP. All of these shares or units have been earned but are not vested as of September 30, 2014. The RSUs granted to Mr. Fagre under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.
- (9) Represents 3,866 performance-based RSUs granted to Mr. Fagre pursuant to the Spectrum 750 Plan, and 18,419 performance-based RSUs granted pursuant to the Company's 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. The RSUs granted to Mr. Fagre under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% will vest on December 1, 2015, subject to continued employment and any other applicable terms in the underlying award agreement. The RSUs granted to Mr. Fagre under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) will vest on December 1, 2015, subject to continued employment on that date.

Option Exercises and Stock Vested

The following table and footnotes provide information regarding stock vesting during Fiscal 2014 for the named executive officers. No options were outstanding during Fiscal 2014.

Stock Vesting Information for Fiscal Year 2014

Name	Stock Awards	
	Number of Shares Acquired on Vesting #	Value Realized On Vesting \$
David R. Lumley	247,455	16,574,914(1)
Douglas L. Martin	—	—
Anthony L. Genito	130,555	8,753,044(2)
Andreas Rouve	24,250	1,626,528(3)
Nathan E. Fagre	22,000	1,476,060(4)

- (1) The amount for Mr. Lumley in this column represents the value realized upon the vesting of 151,900 RSUs on November 16, 2013, and 95,555 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company's common stock on each such vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was \$65.63 on November 15, 2013, and \$69.13 on November 25, 2013.
- (2) The amount for Mr. Genito in this column represents the value realized upon the vesting of 77,778 RSUs on November 16, 2013, and 52,777 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company's common stock on each such vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was \$65.63 on November 15, 2013, and \$69.13 on November 25, 2013.
- (3) The amount for Mr. Rouve in this column represents the value realized upon the vesting of 14,250 RSUs on November 16, 2013, and 10,000 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company's common stock on each such

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vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was \$65.63 on November 15, 2013, and \$69.13 on November 25, 2013.

- (4) The amount for Mr. Fagre in this column represents the value realized upon the vesting of 5,000 RSUs on October 1, 2013, 9,500 RSUs on November 16, 2013, and 7,500 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company's common stock on each such vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was \$66.82 on October 1, 2013, \$65.63 on November 15, 2013, and \$69.13 on November 25, 2013.

Pension Benefits

None of our named executive officers participated in any Company pension plans during or as of the end of Fiscal 2014. Mr. Rouve is entitled to receive certain pension payments under a Pension Agreement between Mr. Rouve and VARTA Geratebatterie GmbH dated May 17, 1989 as supplemented on July 1, 1999. The Company's subsidiary, Rayovac Europe, has assumed the obligations of this agreement. For a description of this pension agreement and the payments to Mr. Rouve thereunder, See "—Executive Specific Provisions—Andreas Rouve" below, which description is incorporated by reference herein.

Non-Qualified Deferred Compensation

None of our named executive officers participated in any Company non-qualified deferred compensation programs during or as of the end of Fiscal 2014.

Termination and Change in Control Provisions

Awards under the Company's Incentive Plans

Awards under the 2011 Plan. During Fiscal 2012, 2013, and 2014 each current named executive officer received RSU awards under the 2011 Plan made pursuant to the Company's incentive programs. Each of these is governed by the 2011 Plan and, as such, contain provisions triggered by a change in control of the Company. For purposes of these incentive plans, change in control generally means the occurrence of any of the following events:

(i) the acquisition, by any individual, entity or group of beneficial ownership of more than 50% of the combined voting power of the Company's then outstanding securities;

(ii) individuals who constituted the Board of Directors at the effective time of the plan and directors who are nominated and elected as their successors from time to time cease for any reason to constitute at least a majority of the Board;

(iii) consummation of a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other entity, other than (A) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no individual, entity or group is or becomes the beneficial owner, directly or indirectly, of voting securities of the Company (not including in the securities beneficially owned by such individual, entity or group any securities acquired directly from the Company or any of its direct or indirect subsidiaries) representing 50% or more of the combined voting power of the Company's then outstanding voting securities or (C) a merger or consolidation affecting the Company as a result of which a Designated Holder owns after such transaction more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

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(iv) approval by the stockholders of the Company of either a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the assets of the Company to an entity, more than 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Provided that, in each case, it shall not be a change in control if, immediately following the occurrence of the event described above (i) the record holders of the common stock of the Company immediately prior to the event continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following the event, or (ii) the Harbinger Master Fund, the Harbinger Special Situations Fund, HRG, and their respective affiliates and subsidiaries beneficially own, directly or indirectly, more than 50% of the combined voting power of the Company or any successor.

In general, in the event a change in control occurs, the Board of Directors may, in its sole discretion, provide that, with respect to any particular outstanding awards:

(i) all stock options and stock appreciation rights outstanding as of immediately prior to the change in control will become immediately exercisable;

(ii) the restricted period shall expire immediately prior to the change in control with respect to up to 100 percent of the then-outstanding shares of restricted stock or RSUs (including, without limitation, a waiver of any applicable performance goals);

(iii) all incomplete performance periods in effect on the date the change in control occurs shall end on that date, and the Compensation Committee may (i) determine the extent to which performance goals with respect to each such performance period have been met based on such audited or unaudited financial information or other information then available it deems relevant and (ii) cause the participant to receive partial or full payment of awards for each such performance period based upon the Compensation Committee's determination of the degree of attainment of such performance goals, or assuming that the applicable "target" levels of performance have been attained or on such other basis determined by the Compensation Committee; and

(iv) any awards previously deferred shall be settled as soon as practicable.

Executive-Specific Provisions

As discussed under the heading "Current Employment and Severance Agreements," each of the continuing named executive officers are parties to continuing employment or other written agreements with the Company that govern various aspects of the employment relationship, including the rights and obligations of the parties upon termination of that employment relationship. Set forth below is a brief description of the provisions of those agreements with respect to a termination of employment and/or in the event of a change in control.

David R. Lumley

The Lumley Employment Agreement contains the following provisions applicable upon the termination of Mr. Lumley's employment with the Company or in the event of a change in control of the Company.

Termination for Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that the Mr. Lumley is terminated for "cause" or terminates his employment voluntarily, other than for "good reason," Mr. Lumley's salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Lumley is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Lumley would be entitled to continue to participate in the Company's medical benefit plans to the extent required by law. Further, upon such termination of employment, the Company would pay to the executive accrued pay and benefits.

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Termination without Cause or for Good Reason, Death or Disability. If the employment of Mr. Lumley with the Company is terminated by the Company without “cause,” by Mr. Lumley for “good reason,” or due to Mr. Lumley’s death or disability, Mr. Lumley would be entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company within 60 days following his termination date. In such event the Company will:

- pay Mr. Lumley an amount equal to two times the sum of (i) Mr. Lumley’s base salary in effect immediately prior to his termination, and (ii) Mr. Lumley’s target annual bonus in respect of the fiscal year ending immediately prior to the fiscal year in which the executive was terminated, such amount to be paid ratably over the 24-month period commencing on the 60th day following the executive’s termination;
- pay Mr. Lumley \$25,000 on the first anniversary of his termination date;
- pay Mr. Lumley the pro rata portion (based on number of weeks worked) of the annual bonus (if any) earned by him pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which such termination occurs, to be paid at the time such bonuses are paid to continuing employees of the Company for such fiscal year; and
- for the 24-month period immediately following such termination, arrange to provide Mr. Lumley and his dependents with insurance and other benefits generally made available from time to time by the Company to its senior executives, on a basis substantially similar to those provided to Mr. Lumley and his dependents by the Company immediately prior to the date of termination at no greater cost to the executive or the Company than the cost to Mr. Lumley and the Company immediately prior to such date.

For Mr. Lumley, “good reason” is defined, in general, subject to notification and Company cure rights, as the occurrence of any of the following events without such executive’s consent:

- any reduction in his annual base salary or target annual bonus opportunity then in effect;
- the required relocation of Mr. Lumley’s place of principal employment to an office more than 75 miles, from Mr. Lumley’s current office, or the requirement by the Company that the executive be based at an office other than the such executive’s current office on an extended basis;
- a substantial diminution or other substantive adverse change in the nature or scope of Mr. Lumley’s responsibilities, authorities, powers, functions, or duties; or
- a breach by the Company of any of its other material obligations under the Lumley Employment Agreement.

For Mr. Lumley, “cause” is defined, in general, subject to notification and cure rights as described above in “Use of Employment Agreements,” as the occurrence of any of the following events: (i) the commission by Mr. Lumley of any deliberate and premeditated act taken in bad faith against the interests of the Company which causes, or is reasonably anticipated to cause, material harm to the Company or its reputation; (ii) Mr. Lumley has been convicted of, or pleads nolo contendere with respect to any felony, or of any lesser crime or offense having as its predicate element fraud, dishonesty or misappropriation of the property of the Company that causes, or is reasonably anticipated to cause, material harm to the Company; (iii) the habitual drug addiction of Mr. Lumley, or habitual intoxication of Mr. Lumley, which negatively impacts his job performance, or Mr. Lumley’s failure of a company-required drug test; (iv) the willful failure or refusal of Mr. Lumley to perform his duties or follow the direction of the Board of Directors; or (v) Mr. Lumley materially breaches any of the terms of the Lumley Employment Agreement or any other material written agreement between Mr. Lumley and the Company.

All of the benefits detailed above would cease immediately upon the discovery by the Company of Mr. Lumley’s breach of the employment agreement provisions titled “agreement not to compete” and “secret processes and confidentiality.” The Lumley Employment Agreement includes non-competition and non-solicitation provisions that extend for two years following Mr. Lumley’s termination and confidentiality provisions that extend for seven years following Mr. Lumley’s termination.

Douglas L. Martin

The Martin Employment Agreement contains the following provisions applicable upon the termination of Mr. Martin's employment with the Company or in the event of a change in control of the Company.

Termination with Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that Mr. Martin is terminated with "cause" or terminates his employment voluntarily, other than for "good reason," Mr. Martin's salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Martin is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Martin would be entitled to continue to participate in the Company's medical benefit plans to the extent required by law. Further, upon any such termination of employment, the Company would pay to Mr. Martin accrued pay and benefits.

Termination without Cause, for Good Reason, Death, or Disability, or Upon a Change in Control. If the employment of Mr. Martin with the Company is terminated by the Company without "cause," by Mr. Martin for "good reason," is terminated due to Mr. Martin's death or disability, or by Mr. Martin following a change in control (as defined in the 2011 Plan), Mr. Martin is entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company and Mr. Martin's compliance with the non-competition and confidentiality restrictions set forth in his employment agreement. In such event the Company will:

- pay Mr. Martin (i) 1.5 times his base salary in effect immediately prior to his termination, plus (ii) 1.0 times his target annual bonus award for the fiscal year in which such termination occurs, ratably over the 18-month period immediately following his termination;
- pay Mr. Martin the pro rata portion of the annual bonus (if any) he would have earned by him pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which such termination occurs if his employment had not ceased, to be paid at the same time such bonus would have been paid to Mr. Martin for such fiscal year if his employment had not terminated; and
- for the 18-month period immediately following such termination, arrange to provide Mr. Martin and his dependents with insurance and other benefits on a basis substantially similar to those provided to Mr. Martin and his dependents by the Company immediately prior to the date of termination at no greater cost to Mr. Martin or the Company than the cost to Mr. Martin and the Company immediately prior to such date.

For Mr. Martin, "good reason" is defined, in general, subject to notification and cure rights as described above under the heading "Use of Employment Agreements," as, the occurrence of any of the following events without Mr. Martin's consent:

- any material reduction in Mr. Martin's annual base salary;
- the required relocation of Mr. Martin's place of principal employment to a location more than 50 miles from Mr. Martin's current office, or the requirement by the Company that Mr. Martin be based at an office other than his current office on an extended basis;
- a substantial diminution or other substantive adverse change in the nature or scope of Mr. Martin's responsibilities, authorities, powers, functions, or duties;
- a breach by the Company of any of its other material obligations under the Martin Employment Agreement; or
- the failure of the Company to obtain the agreement of any successor to the Company to assume and agree to perform the Martin Employment Agreement.

For Mr. Martin, "cause" is defined, in general, subject to notification and cure rights as described above in "Use of Employment Agreements," as the occurrence of any of the following events: (i) the commission by

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Mr. Martin of any deliberate and premeditated act taken by Mr. Martin in bad faith against the interests of the Company; (ii) Mr. Martin has been convicted of, or pleads nolo contendere with respect to any felony, or of any lesser crime or offense having as its predicate element fraud, dishonesty or misappropriation of the property of the Company; (iii) the habitual drug addiction or intoxication of Mr. Martin which negatively impacts his job performance or Mr. Martin's failure of a company-required drug test; (iv) the willful failure or refusal of Mr. Martin to perform his duties as set forth in the employment agreement or the willful failure or refusal to follow the direction of the Chief Executive Officer or the Board of Directors; or (v) Mr. Martin materially breaches any of the terms of the Martin Employment Agreement.

The above benefits will cease immediately upon the discovery by the Company of Mr. Martin's breach of the non-compete and non-solicitation provisions or the secret processes and confidentiality provisions included in his employment agreement. The Martin Employment Agreement includes non-competition and non-solicitation provisions that extend for 18 months following Mr. Martin's termination, and confidentiality provisions that extend for seven years following Mr. Martin's termination.

Anthony L. Genito

As discussed above, Mr. Genito and Spectrum Brands have entered into the Genito Retention Agreement, pursuant to which Mr. Genito and Spectrum Brands have mutually agreed that his employment will terminate effective December 31, 2014 (or on such other date that is mutually agreed to). Mr. Genito ceased being the Chief Financial Officer on September 1, 2014. The Genito Retention Agreement also provides for certain benefits and compensation to Mr. Genito in connection with his termination of employment. Mr. Genito departed from the Company on January 2, 2015. In the event Mr. Genito is terminated for "cause" or resigns from his employment without "good reason" prior to December 31, 2014, the Genito Retention Agreement will be deemed null and void and he will not be entitled to receive the benefits or compensation provided for in such agreement. See "Genito Retention Agreement" below for a further description of the terms and conditions of this agreement.

The Genito Retention Agreement contains the following provisions applicable upon the termination of Mr. Genito's employment with the Company or in the event of a change in control of the Company.

Termination for Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that Mr. Genito is terminated for "cause" or terminates his employment voluntarily, other than for "good reason," Mr. Genito's salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Genito is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Genito would be entitled to continue to participate in the Company's medical benefit plans to the extent required by law. Further, upon any such termination of employment, the Company would pay to Mr. Genito accrued pay and benefits.

Termination without Cause or for Good Reason, Death or Disability. If the employment of Mr. Genito with the Company is terminated by the Company without "cause," by Mr. Genito for "good reason," or due to Mr. Genito's death or disability, or by virtue of a non-renewal of the employment agreement, Mr. Genito is entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company. In such event the Company will:

- pay Mr. Genito two times the sum of Mr. Genito's (i) base salary in effect immediately prior to his termination, and (ii) target annual bonus award for the fiscal year immediately preceding the fiscal year in which such termination occurs ratably over the 24-month period immediately following his termination;
- pay Mr. Genito the pro rata portion of the annual bonus (if any) earned by him pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which such termination occurs, to be paid at the time such bonuses are paid to continuing employees of the Company for such fiscal year, but no later than December 31 immediately following the end of the fiscal year in which such termination occurs; and

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- for the 24-month period immediately following such termination arrange to provide Mr. Genito and his dependents with insurance and other benefits on a basis substantially similar to those provided to Mr. Genito and his dependents by the Company immediately prior to the date of termination at no greater cost to Mr. Genito or the Company than the cost to Mr. Genito and the Company immediately prior to such date.

Change in Control. Under the Genito Employment Agreement, Mr. Genito may elect to terminate his employment within 60 days following a change in control (as defined under the 2011 Plan). Such termination by Mr. Genito will be treated as a termination by the Company without “cause,” and Mr. Genito would be entitled to the benefits described above within “Termination without Cause or for Good Reason, Death or Disability.” The Company may require that Mr. Genito remain employed by the Company for up to a maximum of 6 months following the change in control.

For Mr. Genito, “good reason” is defined, in general, subject to notification and cure rights as described above under the heading “Use of Employment Agreements,” as, the occurrence of any of the following events without Mr. Genito’s consent:

- any material reduction in Mr. Genito’s annual base salary;
- the required relocation of Mr. Genito’s place of principal employment to an office more than 50 miles, from Mr. Genito’s current office, or the requirement by the Company that Mr. Genito be based at an office other than his current office on an extended basis;
- a substantial diminution or other substantive adverse change in the nature or scope of Mr. Genito’s responsibilities, authorities, powers, functions, or duties, provided that the Company may replace Mr. Genito as Chief Accounting Officer of the Company without implicating this subsection;
- a breach by the Company of any of its other material obligations under the Genito Employment Agreement; or
- the failure of the Company to obtain the agreement of any successor to the Company to assume and agree to perform the Genito Employment Agreement.

For Mr. Genito, “cause” is defined, in general, subject to notification and cure rights as described above in “Use of Employment Agreements,” as the occurrence of any of the following events: (i) the commission by Mr. Genito of any deliberate and premeditated act taken by Mr. Genito in bad faith against the interests of the Company; (ii) Mr. Genito has been convicted of, or pleads nolo contendere with respect to any felony, or of any lesser crime or offense having as its predicate element fraud, dishonesty or misappropriation of the property of the Company; (iii) the habitual drug addiction or intoxication of Mr. Genito which negatively impacts his job performance or Mr. Genito’s failure of a company-required drug test; (iv) the willful failure or refusal of Mr. Genito to perform his duties as set forth herein or the willful failure or refusal to follow the direction of the Chief Executive Officer; or (v) Mr. Genito materially breaches any of the terms of the Genito Employment Agreement.

The above benefits will cease immediately upon the discovery by the Company of Mr. Genito’s breach of the non-compete and non-solicitation provisions or the secret processes and confidentiality provisions included in his employment agreement. The Genito Employment Agreement includes non-competition and non-solicitation provisions that extend for one year following Mr. Genito’s termination and confidentiality provisions that extend for two years following Mr. Genito’s termination.

Genito Retention Agreement

On April 29, 2014, Spectrum Brands and Mr. Genito mutually agreed that, effective December 31, 2014 (or such other date that is agreed to), Mr. Genito’s employment will terminate and he will resign from any and all titles, positions, and appointments that he holds with the Company. In connection with his resignation, the Company and Mr. Genito entered into the Genito Retention Agreement.

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Under the terms of the Genito Retention Agreement, Mr. Genito will continue to remain employed by the Company through December 31, 2014 (unless earlier terminated) and was required to assist with the transition of the hiring of a new Chief Financial Officer (Mr. Martin was appointed the Company's new Chief Financial Officer on September 1, 2014). Under the Genito Retention Agreement, Mr. Genito will receive the following payments and benefits: (i) \$1,920,000, which is equal to two (2) times Mr. Genito's annual base salary and target bonus, payable in monthly installments of \$80,000 in the form of Company common stock over a period of twenty-four (24) months; (ii) an additional MIP payment for 2014 equal to the amount determined for Mr. Genito pursuant to the Company's 2014 MIP based on the Company's actual performance results for Fiscal 2014, which amount will be paid at the same time as other payments are made to 2014 MIP participants, and in any case no later than December 31, 2014; (iii) payment for accrued but unused vacation days; (iv) for a period of twenty-four (24) months, a monthly payment equal to the monthly COBRA continuation coverage cost; (v) the Executive Life Insurance benefit for Mr. Genito and his eligible dependents for twenty-four (24) months at the level and of the type provided to active employees of the Company from time to time; (vi) entitlement to purchase his Company vehicle pursuant to Company policy; and (vii) the reimbursement of any unreimbursed business expenses. In addition, if Mr. Genito performs his duties and responsibilities in a satisfactory matter (including the smooth transition of his duties to a new Chief Financial Officer and the related preparation, filing, and certification of the Company's annual filings for Fiscal 2014) as determined by the Chairman of the Compensation Committee, then Mr. Genito may receive a payment of \$500,000 (payable in the form of Company common stock). However, notwithstanding the foregoing, in the event Mr. Genito is terminated for "cause" or resigns from his employment without "good reason" prior to December 31, 2014, the Genito Retention Agreement will be deemed null and void and he will not be entitled to receive any benefits or compensation set forth above in clauses (i), (ii), (iii), (iv), (v), or (vi) of this paragraph, or the equity awards described in the immediately succeeding paragraph.

In addition, Mr. Genito will be eligible to earn and vest in restricted stock units under the Company's 2014 equity award programs and the Spectrum 750 Plan, to the extent that the applicable performance criteria are met for Fiscal 2014.

Mr. Genito has agreed to a customary release of potential claims against the Company and to customary post-employment restrictive covenants in favor of the Company, as well as being available to consult with the Company during the 24-month period after termination of his employment.

Andreas Rouve

The Rouve Employment Agreement contains the following provisions applicable upon the termination of Mr. Rouve's employment with the Company.

Termination for Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that Mr. Rouve is terminated for "cause" or terminates his employment voluntarily, other than for "good reason," Mr. Rouve's salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Rouve is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Rouve would be entitled to continue to participate in the Company's medical benefit plans to the extent required by law. Further, upon any such termination of employment, the Company would pay to Mr. Rouve accrued pay and benefits.

Termination without Cause or for Good Reason, Death or Disability. If the employment of Mr. Rouve with the Company is terminated by the Company without "cause," by Mr. Rouve for "good reason," or due to Mr. Rouve's death or disability, Mr. Rouve is entitled to receive certain post-termination benefits, detailed below. In such event the Company will:

- pay Mr. Rouve two times the sum of Mr. Rouve's (i) base salary in effect immediately prior to his termination, and (ii) annual bonus (if any) awarded for the fiscal year immediately preceding the fiscal year in which such termination occurs ratably over the 12-month period immediately following his termination; and

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- for the 24-month period immediately following such termination arrange to provide Mr. Rouve and his dependents with insurance and other benefits on a basis substantially similar to those provided to Mr. Rouve and his dependents by the Company immediately prior to the date of termination at no greater cost to Mr. Rouve or the Company than the cost to Mr. Rouve and the Company immediately prior to such date.

The above benefits will cease immediately upon the discovery by the Company of Mr. Rouve's breach of the agreement not to compete, confidentiality and non-solicitation provisions included in the Rouve Employment Agreement. The Rouve Employment Agreement includes a non-competition provision that extends for one year following Mr. Rouve's termination and the confidentiality provisions and non-solicitation provisions that survive termination of the agreement. As compensation for these post-contractual non-competition obligations, in the event Mr. Rouve is terminated for cause, Mr. Rouve will receive 50% of his last received contractual salary for the non-competition period.

For Mr. Rouve, "good reason" is defined, in general, subject to notification and cure rights as described above under the heading "Use of Employment Agreements," as the occurrence of any of the following events without Mr. Rouve's consent:

- any material reduction in Mr. Rouve's annual base salary;
- the required relocation of Mr. Rouve's place of principal employment to an office more than 50 miles from Mr. Rouve's current office, or the requirement by the Company that Mr. Rouve be based at an office other than his current office on an extended basis;
- a material diminution or other substantive adverse change in the nature or scope of Mr. Rouve's responsibilities, authorities, powers, functions, or duties; or
- a material breach by the Company of any of its other material obligations under the Rouve Employment Agreement and the Company's failure to cure that breach within 30 days of written notice from Mr. Rouve.

The Company's subsidiary, Rayovac Europe, also assumed the obligations of the Pension Agreement between Mr. Rouve and VARTA Geratebatterie GmbH dated May 17, 1989 as supplemented on July 1, 1999 (the "Rouve Pension Agreement"). Under the Rouve Pension Agreement, pension payments will be paid to Mr. Rouve upon permanent disablement, reaching 65 years of life or earlier retirement at the requirement of the Company. Pension pay will be \$44,398 (€17,895) per year. In the case of resignation or termination the acquired pension benefit is nonlapsable. The pension plan is based on accruals during the employment period of Mr. Rouve, for which Rayovac Europe makes all contributions to the accrual. As of September 30, 2014 the accrual for Mr. Rouve's pension plan equaled \$228,649 (€180,249). Rayovac Europe's allocation to the accrual amount for Fiscal 2014 was \$17,131 (€13,505). Every three years after retirement the current pay will be increased according to the Employers' Retirement Benefits Law (Betriebsrentengesetz). All amounts in this paragraph for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of \$1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014. See "Company Significant Events after Fiscal 2014" for more information regarding Mr. Rouve's employment.

Nathan E. Fagre

The Fagre Severance Agreement contains the following provisions applicable upon the termination of Mr. Fagre's employment with the Company or in the event of a change in control of the Company.

Termination for Cause or Voluntary Termination by the Executive. In the event that Mr. Fagre is terminated for "cause" or terminates his employment voluntarily, Mr. Fagre's salary and other benefits provided under his severance agreement cease at the time of such termination and Mr. Fagre is entitled to no further compensation under his severance agreement. Notwithstanding this, Mr. Fagre would be entitled to continue to participate in the Company's medical benefit plans to the extent required by law. Further, upon any such termination of employment, the Company would pay to Mr. Fagre accrued pay and benefits.

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Termination without Cause or for Death or Disability. If the employment of Mr. Fagre with the Company is terminated by the Company without “cause” or due to Mr. Fagre’s death or disability, Mr. Fagre is entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company within 30 days following his termination date. In such event the Company will pay Mr. Fagre an amount in cash equal to the sum of Mr. Fagre’s (i) annual base salary in effect immediately prior to Mr. Fagre’s termination, and (ii) target annual bonus award for the fiscal year in which such termination occurs, to be paid ratably over the 12-month period immediately following his termination. In addition, for the 12-month period immediately following such termination, the Company will arrange to provide Mr. Fagre and his dependents with insurance and other benefits on a basis substantially similar to those provided to Mr. Fagre and his dependents prior to his termination. For Mr. Fagre, “cause” is defined, in general, subject to notification and cure rights as described above in “Use of Employment Agreements,” as the occurrence of any of the following events: (i) the commission by Mr. Fagre of any deliberate and premeditated act taken by Mr. Fagre in bad faith against the interests of the Company; (ii) Mr. Fagre has been convicted of, or pleads nolo contendere with respect to any felony or other crime, the elements of which are substantially related to the duties and responsibilities associated with the Executive’s employment; (iii) Mr. Fagre’s willful misconduct; (iv) the willful failure or refusal of Mr. Fagre to perform his duties as set forth herein or the willful failure or refusal to follow the direction of the Chief Executive Officer or the Board of Directors; or (v) Mr. Fagre materially breaches any of the terms of the Fagre Severance Agreement.

The above benefits will cease immediately upon the discovery by the Company of Mr. Fagre’s breach of the agreement not to compete and secret processes and confidentiality provisions included in the Fagre Severance Agreement. The Fagre Severance Agreement includes non-competition and non-solicitation provisions that extend for two years following Mr. Fagre’s termination and confidentiality provisions that extend for seven years.

Company Significant Events after Fiscal 2014

This section will provide you with a brief review of certain significant employment events that have occurred at the Company since the end of Fiscal 2014. This section, however, is not a summary of all of the compensation decisions made with respect to our named executive officers after Fiscal 2014, which will be summarized in next year’s report.

Lumley Transition Employment Agreement

Effective January 8, 2015, the Company entered into a transition employment agreement (the “Lumley Transition Employment Agreement”) with Mr. Lumley for his continued employment as the Chief Executive Officer of the Company through September 30, 2015 or such earlier date as determined by the Board of Directors of the Company (such period, the “Transition Period”). Mr. Lumley retired as the Chief Executive Officer on March 31, 2015 but he remains employed as an advisor through September 30, 2015.

At the end of the Transition Period, unless otherwise requested in writing by the Board, Mr. Lumley shall resign from all positions with the Company and any of its affiliates (whether as an officer, director, employee, consultant, or otherwise), provided that if requested by the Board, Mr. Lumley shall serve as a strategic advisor to the Chairman of the Board.

During the Transition Period, Mr. Lumley shall continue to receive his base salary and employee benefits as set forth in the Lumley Employment Agreement. For Fiscal 2015, Mr. Lumley shall be entitled to participate in the annual cash bonus program and to receive an equity award consisting of restricted stock units equal to \$5 million on the date of grant, provided that such award shall only vest and be payable if the Company achieves adjusted EBITDA of at least \$760 million for Fiscal 2015. The equity award, to the extent earned based on achievement of \$760 million of adjusted EBITDA for Fiscal 2015, shall vest 50% each year over the following two years. Mr. Lumley will not receive any grants or participate in the Company’s annual bonus plan or equity plan for Fiscal 2016 and will not participate in the Company’s long term incentive plan for the Fiscal 2015-2016 performance period, known as the Spectrum \$2B plan.

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At the end of the Transition Period, subject to the Mr. Lumley's execution of a separation agreement and release of claims, the Company will pay pursuant to a retention bonus for Mr. Lumley's agreement to enter into the Lumley Transition Employment Agreement, an amount in cash equal to two times the sum of Mr. Lumley's base salary and prior year's annual target bonus, payable in installments over 24 months generally commencing on the six month anniversary of the end of the Transition Period. In addition, Mr. Lumley would be entitled to \$25,000 on the first anniversary of the termination date as well as the continuation of certain benefits for a period of 24 months following the termination date, plus an additional payment of \$75,000. Mr. Lumley is not entitled to any severance, whether pursuant to the Lumley Employment Agreement or the Lumley Transition Employment Agreement. During the Transition Period and for a period of two years thereafter, Mr. Lumley is subject to noncompete and nonsolicit covenants.

Appointment of Andreas Rouve as Chief Executive Officer and President

On March 16, 2015, the Company announced the appointment of Andreas Rouve as the Company's new Chief Executive Officer and President, succeeding David R. Lumley as Chief Executive Officer of the Company. Mr. Rouve's appointment as Chief Executive Officer and President became effective as of April 1, 2015.

In connection with his appointment, Mr. Rouve entered into an Employment Agreement, dated March 16, 2015, with the Company and its wholly-owned subsidiary, Spectrum Brands, Inc. (the "2015 Rouve Employment Agreement"). The 2015 Rouve Employment Agreement provides Mr. Rouve with an annual base salary of \$735,000 ("Base Salary") and he will be eligible to receive a management incentive plan ("MIP") bonus for each fiscal year, based on a target of 125% of Base Salary (the "Target Amount") paid during the applicable fiscal year during the term of the Employment Agreement, provided the Company achieves certain annual performance goals as established by the Board and/or the Compensation Committee. If such performance goals are met, the MIP bonus will be payable in cash or stock in accordance with customary Company practices within 74 days after the end of the fiscal year to which the bonus relates. If Mr. Rouve exceeds the performance targets, the bonus will be increased in accordance with the formula approved by the Compensation Committee no later than the close of the first quarter of the applicable fiscal year; provided that, the bonus will not exceed 250% of the Target Amount. Notwithstanding the foregoing, for fiscal 2015 Mr. Rouve's MIP bonus will be calculated on a pro rata basis, with the bonus amount for the period beginning on April 1, 2015 through September 30, 2015 based on his base salary and bonus calculation as set forth in the 2015 Rouve Employment Agreement, and the bonus amount for the period prior to April 1, 2015 based on his base salary and bonus calculation as set forth in his previously disclosed employment agreement.

Additionally, Mr. Rouve will be eligible to participate in the Company's ("EIP") whereby, for fiscal year 2015, Mr. Rouve will be provided a RSU award valued at \$3,000,000 at the time of the award, subject to the terms and conditions as established by the Board and/or Compensation Committee. This EIP grant for fiscal 2015 is the sum of a \$2,000,000 grant originally awarded to Mr. Rouve in December 2014, and an additional \$1,000,000 grant awarded as promptly as practicable following April 1, 2015. Mr. Rouve will also be eligible to participate in the Spectrum \$2B Plan, whereby Mr. Rouve will be eligible to receive an RSU award valued at \$3,000,000 at the time of the award, subject to the terms and conditions as established by the Board and/or Compensation Committee (the "S2B Equity Award"). This S2B Equity Award constitutes the sum of the \$2,000,000 grant made to Mr. Rouve under the Spectrum \$2B Plan in February 2015, and an additional \$1,000,000 grant to be awarded as promptly as practicable following April 1, 2015. All RSUs granted pursuant to the EIP and the Spectrum \$2B Plan are issued under the 2011 Plan. If a change in control (as defined in the 2011 Plan) occurs within 24 months following April 1, 2015, then all of Mr. Rouve's outstanding and unvested equity awards will vest in full upon the earlier of (i) the first anniversary of the change in control, or (ii) the date Mr. Rouve's employment is terminated by the Company without "Cause" (as defined below) or by Mr. Rouve for "Good Reason" (as defined below).

The 2015 Rouve Employment Agreement also provides Mr. Rouve with certain other compensation and benefits, including the following: (i) certain relocation benefits, including the use of a Company-funded

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executive apartment for up to 6 months; (ii) eligibility for Mr. Rouve to participate in the Company's executive auto lease program; and (iii) a stipend for income tax filings and returns preparation and advice and estate planning advice. In addition, the previously disclosed Pension Agreement between VARTA Gerätebatterie GMBH and Mr. Rouve dated May 17, 1989 including the supplement of July 1, 1999, which was assumed by the Company, will remain in effect.

Under the 2015 Rouve Employment Agreement, Mr. Rouve is entitled to receive severance benefits if his employment is terminated under certain circumstances. In this regard, if Mr. Rouve's employment is terminated by the Company without "Cause" (as defined below), by Mr. Rouve for "Good Reason" (as defined below), or by reason of death or by the Company for disability, he will be entitled to the following severance benefits: (i) a cash payment equal to 1.5x base salary, and a cash payment equal to 1x the target annual MIP bonus of 125% of Mr. Rouve's then current Base Salary, each payable ratably on a monthly basis over the 18-month period following termination; (ii) a pro rata portion, in cash, of the annual MIP bonus Mr. Rouve would have earned for the fiscal year in which termination occurs if his employment had not ceased; (iii) medical insurance coverage and certain other employee benefits for Mr. Rouve and his dependents for the 18-month period following termination; and (iv) payment of accrued vacation time pursuant to Company policy.

If Mr. Rouve's employment is terminated by the Company for Cause or if Mr. Rouve voluntarily terminates his employment, he will be entitled to continue to participate in the Company's medical benefit plans to the extent required by law, and the Company will promptly pay Mr. Rouve his accrued salary and vacation pay, reimbursement for expenses incurred through the date of termination, and accrued benefits through the Company's benefit plans and programs.

For purposes of the 2015 Rouve Employment Agreement, "Cause" is defined as (i) the commission by Mr. Rouve of any deliberate and premeditated act taken by him in bad faith against the interests of the Company that causes or is reasonably anticipated to cause material harm to the Company; (ii) Mr. Rouve being convicted of, or pleading nolo contendere with respect to, any felony or of any lesser crime or offense having as its predicate element fraud, dishonesty, or misappropriation of the property of the Company that causes or is reasonably anticipated to cause material harm to the Company; (iii) the habitual drug addiction or intoxication of Mr. Rouve which negatively impacts his job performance or Mr. Rouve's failure of a Company-required drug test; (iv) the willful failure or refusal of Mr. Rouve to perform his duties as set forth in the agreement or the willful failure or refusal to follow the direction of the Board, provided such failure or refusal continues after 30 calendar days of the receipt of written notice from the Board of such failure or refusal; or (v) Mr. Rouve materially breaches any of the terms of the 2015 Rouve Employment Agreement or any other agreement between himself and the Company and the breach is not cured within 30 calendar days after written notice from the Company.

In addition, for purposes of the 2015 Rouve Employment Agreement, "Good Reason" is defined as (i) any reduction, not consented to by Mr. Rouve, in Mr. Rouve's Base Salary or target MIP bonus opportunity, then in effect; (ii) the relocation, not consented to by Mr. Rouve, of the Company's office at which he is principally employed as of April 1, 2015 to a location more than 50 miles from such office, or the requirement by the Company that Mr. Rouve be based at an office other than the Company's office at such location on an extended basis, except for required business travel; (iii) a substantial diminution or other substantive adverse change, not consented to by Mr. Rouve, in the nature or scope of his responsibilities, authorities, powers, functions, or duties; (iv) a breach by the Company of any of its material obligations under the 2015 Rouve Employment Agreement; or (v) the failure of the Company to obtain the agreement for any successor to the Company to assume and agree to perform the 2015 Rouve Employment Agreement.

Mr. Rouve is bound by noncompetition provisions that restrict him from competing with the Company (with certain exceptions) for 18 months following the termination of his employment with the Company. Mr. Rouve also is subject to nonsolicitation restrictions with respect to Company customers and employees for the same 18-month period. In addition, Mr. Rouve is subject to confidentiality provisions protecting the Company's confidential business information from unauthorized disclosure.

Tables of Amounts Payable Upon Termination or Change of Control

The following tables set forth the amounts that would have been payable at September 30, 2014 to each of the named executive officers who are currently employed by the Company under the various scenarios for termination of employment or a change-in-control of the Company had such scenarios occurred on September 30, 2014. On April 29, 2014, Spectrum Brands and Mr. Genito mutually agreed that, effective December 31, 2014 (or such other date that is agreed to), Mr. Genito’s employment will terminate and he will resign from any and all titles, positions, and appointments that he holds with the Company. In connection with his resignation, the Company and Mr. Genito entered into the Genito Retention Agreement (see “Genito Retention Agreement” above). The amounts to be paid to Mr. Genito under the provisions of the Genito Retention Agreement in connection with his termination of employment from the Company are set forth below in “Payments to Anthony L. Genito Upon Resignation.”

David Lumley

Component	Termination Scenarios (assumes termination 9/30/2014)			
	Without Good Reason or For Cause	With Good Reason or Without Cause	Death or Disability	Change in Control and Termination
Cash Severance(1)	—	\$ 3,960,000	\$ 3,960,000	\$ 3,960,000
Additional Bonus(2)	—	\$ 1,206,619	\$ 1,206,619	\$ 1,206,619
Additional Award(3)	—	\$ 25,000	\$ 25,000	\$ 25,000
<i>Equity Awards (Intrinsic Value)(4)</i>				
Unvested Restricted Stock	—	\$18,648,418(5)	\$ 5,999,966(6)	\$18,648,418(5)
<i>Other Benefits</i>				
Health and Welfare(7)	—	\$ 9,264	\$ 9,264	\$ 9,264
Leased Vehicle(8)	—	\$ 22,384	\$ 22,384	\$ 22,384
Tax Gross-Up(9)	—	—	—	—
Total	—	\$23,871,684	\$11,223,233	\$23,871,684

- (1) Reflects cash severance payment, under the applicable termination scenarios, of 2x the sum of the executive’s current base salary and the Fiscal 2013 target bonus. Payments are to be made in monthly installments over 24 months, subject to the requirements of Section 409A of the Internal Revenue Code.
- (2) Reflects annual MIP bonus earned based on Fiscal 2014 performance.
- (3) Reflects an additional cash payment to be made on the first anniversary of the date of termination.
- (4) Reflects equity value using a stock price of \$90.53, which was Spectrum’s closing price on September 30, 2014.
- (5) Upon a termination without cause or in connection with a change in control, or for resignation with good reason, 50% of the Fiscal 2013 EIP award (the unvested portion of the 2013 EIP award) and 60% of the Spectrum 750 award would vest immediately. Additionally, 108% of the Fiscal 2014 EIP award would be payable, with 50% of the target award vesting upon termination and the remaining 50%, plus the 8% upside, vesting on September 30, 2015 if the consistency requirement is met (reflected in the calculation above). If the consistency requirement is not met, the award would vest at target (50% upon termination and 50% on September 30, 2015) and the 8% upside would be forfeited and cancelled.
- (6) Upon a termination due to death or disability, 60% of the Spectrum 750 award would vest immediately. Any unvested portion of the Fiscal 2013 EIP award and the entire Fiscal 2014 EIP award would be forfeited and cancelled.
- (7) Reflects 24 months of insurance and other benefits continuation for the executive and any dependents.
- (8) Reflects 12 months of car lease continuation.
- (9) The Company does not provide any tax gross-up payment to cover excise taxes.

Douglas L. Martin

Component	Termination Scenarios (assumes termination 9/30/2014)			
	Without Good Reason or For Cause	With Good Reason or Without Cause	Death or Disability	Change in Control and Termination
Cash Severance ⁽¹⁾	—	\$1,320,000	\$1,320,000	\$1,320,000
Annual Bonus ⁽²⁾	—	—	—	—
<i>Equity Awards (Intrinsic Value)⁽³⁾</i>				
Unvested Restricted Stock	—	\$2,613,420 ⁽⁴⁾	— ⁽⁵⁾	\$2,613,420 ⁽⁴⁾
<i>Other Benefits</i>				
Health and Welfare ⁽⁶⁾	—	\$ 6,948	\$ 6,948	\$ 6,948
Leased Vehicle ⁽⁷⁾	—	\$ 18,000	\$ 18,000	\$ 18,000
Tax Gross-Up ⁽⁸⁾	—	—	—	—
Total	—	\$3,958,368	\$1,344,948	\$3,958,368

- (1) Reflects cash severance payment, under the applicable termination scenarios, of 1.5x the executive's current base salary, plus 1.0x the Fiscal 2014 target bonus. Payments are to be made in monthly installments over 18 months, subject to the requirements of Section 409A of the Internal Revenue Code.
- (2) Executive joined the Company in September 2014 and, therefore, was not eligible for a Fiscal 2014 annual MIP bonus.
- (3) Reflects equity value using a stock price of \$90.53, which was Spectrum's closing price on September 30, 2014.
- (4) Upon a termination without cause or in connection with a change in control, or for resignation with good reason, the one-time equity award granted to Mr. Martin on September 1, 2014 would vest immediately.
- (5) Upon a termination due to death or disability, all equity would be forfeited and cancelled.
- (6) Reflects 18 months of insurance and other benefits continuation for the executive and any dependents.
- (7) Reflects 12 months of car allowance continuation.
- (8) The Company does not provide any tax gross-up payment to cover excise taxes.

Nathan E. Fagre

Component	Termination Scenarios (assumes termination 9/30/2014)			
	Without Good Reason or For Cause	With Good Reason or Without Cause	Death or Disability	Change in Control and Termination
Cash Severance ⁽¹⁾	—	\$ 600,000	\$600,000	\$ 600,000
<i>Equity Awards (Intrinsic Value)⁽²⁾</i>				
Unvested Restricted Stock	—	\$2,668,781 ⁽³⁾	\$188,936 ⁽⁴⁾	\$2,668,781 ⁽³⁾
<i>Other Benefits</i>				
Health and Welfare ⁽⁵⁾	—	\$ 4,632	\$ 4,632	\$ 4,632
Tax Gross-Up ⁽⁶⁾	—	—	—	—
Total	—	\$3,273,413	\$793,568	\$3,273,413

- (1) Reflects cash severance payment, under the applicable termination scenarios, of 1.0x the sum of executive's current base salary and the Fiscal 2014 target bonus. Payments are to be made in semi-monthly installments over 12 months, subject to the requirements of Section 409A of the Internal Revenue Code.
- (2) Reflects equity value using a stock price of \$90.53, which was Spectrum's closing price on September 30, 2014.

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- (3) Upon a termination without cause or in connection with a change in control, or for resignation with good reason, 50% of the Fiscal 2013 EIP award (the unvested portion of the 2013 EIP award) and 54% of the Spectrum 750 award would vest immediately. Additionally, 108% of the Fiscal 2014 EIP award would be payable, with 50% of the target award vesting upon termination and the remaining 50%, plus the 8% upside, vesting on September 30, 2015 if the consistency requirement is met (reflected in the calculation above). If the consistency requirement is not met, the award would vest at target (50% upon termination and 50% on September 30, 2015) and the 8% upside would be forfeited and cancelled.
- (4) Upon a termination due to death or disability, 54% of the Spectrum 750 award would vest immediately. Any unvested portion of the Fiscal 2013 EIP award and the entire Fiscal 2014 EIP award would be forfeited and cancelled.
- (5) Reflects 12 months of insurance and other benefits continuation for the executive and any dependents.
- (6) The Company does not provide any tax gross-up payment to cover excise taxes.

Andreas Rouve

Component	Termination Scenarios (assumes termination 9/30/2014)			
	Without Good Reason or For Cause	With Good Reason or Without Cause	Death or Disability	Change in Control and Termination
Cash Severance(1)	—	\$1,519,930	\$1,519,930	\$1,519,930
Equity Awards (Intrinsic Value)(2)				
Unvested Restricted Stock	—	\$3,124,599(3)	\$ 418,430(4)	\$3,124,599(3)
Other Benefits				
Health and Welfare(5)	—	—	—	—
Tax Gross-Up(6)	—	—	—	—
Total	—	\$4,644,529	\$1,938,360	\$4,644,529

- (1) Reflects cash severance payment, under the applicable termination scenarios, of 2x the sum of the executive's current base salary and the Fiscal 2013 target bonus earned. Payments are to be made in monthly installments over 12 months, subject to the requirements of Section 409A of the Internal Revenue Code. Euros are converted to U.S. dollars at a rate of \$1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.
- (2) Reflects equity value using a stock price of \$90.53, which was Spectrum's closing price on September 30, 2014.
- (3) Upon a termination without cause or in connection with a change in control, or for resignation with good reason, 50% of the Fiscal 2013 EIP award (the unvested portion of the 2013 EIP award) and 54% of the Spectrum 750 award would vest immediately. Additionally, 108% of the Fiscal 2014 EIP award would be payable, with 50% of the target award vesting upon termination and the remaining 50%, plus the 8% upside, vesting on September 30, 2015 if the consistency requirement is met (reflected in the calculation above). If the consistency requirement is not met, the award would vest at target (50% upon termination and 50% on September 30, 2015) and the 8% upside would be forfeited and cancelled.
- (4) Upon a termination due to death or disability, 54% of the Spectrum 750 award would vest immediately. Any unvested portion of the Fiscal 2013 EIP award and the entire Fiscal 2014 EIP award would be forfeited and cancelled.
- (5) Health and welfare benefits are statutory and are not covered by the Company.
- (6) The Company does not provide any tax gross-up payment to cover excise taxes.

Payments to Anthony L. Genito Upon Resignation

As discussed above, Spectrum Brands and Mr. Genito have mutually agreed that Mr. Genito's employment with the Company would terminate pursuant to the terms of the Genito Retention Agreement. Mr. Genito's

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departure occurred on January 2, 2015. Therefore, the following table illustrates the amounts to be payable to Mr. Genito under the provisions of the Genito Retention Agreement in connection with his termination of employment from the Company:

Component	Termination Scenarios (assumes termination 9/30/2014)			
	Without Good Reason or For Cause	With Good Reason or Without Cause ⁽¹⁰⁾	Death or Disability	Change in Control and Termination
Severance Payment ⁽¹⁾	—	\$ 1,920,000	\$ 1,920,000	\$ 1,920,000
Annual Bonus ⁽²⁾	—	\$ 532,944	\$ 532,944	\$ 532,944
Additional Severance for Transition ⁽³⁾	—	\$ 500,000	\$ 500,000	\$ 500,000
<i>Equity Awards (Intrinsic Value)⁽⁴⁾</i>				
Unvested Restricted Stock	—	\$ 7,965,842 ⁽⁵⁾	\$ 1,987,948 ⁽⁶⁾	\$ 7,965,842 ⁽⁵⁾
<i>Other Benefits</i>				
Health and Welfare ⁽⁷⁾	—	\$ 9,264	\$ 9,264	\$ 9,264
Leased Vehicle ⁽⁸⁾	—	\$ 54,719	\$ 54,719	\$ 54,719
Tax Gross-Up ⁽⁹⁾	—	—	—	—
Total	—	\$10,982,768	\$5,004,875	\$10,982,768

- (1) Reflects severance payment, under the applicable termination scenarios, of 2.0x the sum of executive's current base salary and the Fiscal 2013 target bonus. Payments are to be made as monthly stock grants for 24 months, subject to the requirements of Section 409A of the Internal Revenue Code.
- (2) Reflects annual MIP bonus earned based on Fiscal 2014 performance.
- (3) Reflects additional severance for transitioning duties to the new CFO. The Company paid this additional severance within 30 days after Mr. Genito's termination date, which was January 2, 2015, in the form of a stock grant.
- (4) Reflects equity value using a stock price of \$90.53, which was Spectrum's closing price on September 30, 2014.
- (5) Upon a termination without cause or in connection with a change in control, or for resignation with good reason, 50% of the Fiscal 2013 EIP award (the unvested portion of the 2013 EIP award) and 56.8% of the Spectrum 750 award would vest immediately. Additionally, 108% of the Fiscal 2014 EIP award would be payable, with 50% of the target award vesting upon termination and the remaining 50%, plus the 8% upside, vesting on September 30, 2015 if the consistency requirement is met (reflected in the calculation above). If the consistency requirement is not met, the award would vest at target (50% upon termination and 50% on September 30, 2015) and the 8% upside would be forfeited and cancelled.
- (6) Upon a termination due to death or disability, 56.8% of the Spectrum 750 award would vest immediately. Any unvested portion of the Fiscal 2013 EIP award and the entire Fiscal 2014 EIP award would be forfeited and cancelled.
- (7) Reflects 24 months of insurance and other benefits continuation for the executive and any dependents.
- (8) Reflects 24 months of car lease continuation.
- (9) The Company does not provide any tax gross-up payment to cover excise taxes.
- (10) The amounts indicated in this column are the amounts payable to Mr. Genito in connection with his termination, which occurred on January 2, 2015.

Director Compensation

The Compensation Committee is responsible for approving, subject to review by the Board of Directors as a whole, compensation programs for our non-employee directors. In that function, the Compensation Committee considers market data regarding director compensation and evaluates the Company's director compensation practices in light of that data and the characteristics of the Company as a whole, with the assistance of its outside counsel.

After reviewing current director compensation benchmarking data with its independent compensation advisors, the Compensation Committee has approved a compensation program for our non-employee directors. In

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this regard, each non-employee director receives an annual cash retainer of \$105,000 and an annual grant of restricted stock units equal to that number of shares of the Company's common stock with a value on the date of grant of \$105,000. The Chair of the Audit Committee receives an additional annual cash retainer of \$20,000, and the Chairs of the Nominating and Corporate Governance Committee and the Compensation Committee each receive an additional annual cash retainer of \$15,000. Directors are permitted to make an annual election to receive all of their director compensation in the form of Company stock in lieu of cash.

In April 2013, the Board of Directors determined to establish Stock Ownership Guidelines for Directors (such guidelines had been established for officers of the Company, including the named executive officers, in January 2013). Under these guidelines for Directors, each Director is expected to hold shares of the Company's common stock equal to at least one times the Director's annual compensation for service as a director.

For Fiscal 2014, the grants of restricted stock units were made in November 2013 and vested on September 30, 2014. For Fiscal 2015, the grants of restricted stock units were made on October 1, 2014 and will vest on September 30, 2015.

David R. Lumley, who was an employee of the Company during Fiscal 2014 in addition to his service as a Director, received no additional compensation for his service as a director of the Company.

The table set forth below, together with its footnotes, provides information regarding compensation paid to the Company's directors for Fiscal 2014. David R. Lumley, who received no compensation as a director during Fiscal 2014, is omitted from the table.

Director Compensation Table for Fiscal Year 2014

Name(1)	Fees Earned or Paid in Cash(2) \$	Stock Awards(3) \$	All Other Compensation \$	Total \$
Kenneth C. Ambrecht	—	226,717(4)	5,425(5)	232,142
Omar M. Asali	—	162,564(6)	—	162,564
Eugene I. Davis	156,250	106,578(7)	2,822(8)	265,650
Norman S. Matthews	—	223,213(9)	2,883(10)	226,096
David M. Maura	—	162,564(11)	—	162,564
Terry L. Polistina	—	711,931(12)	—	711,931
Hugh R. Rovit	—	215,782(13)	2,734(14)	218,516

- (1) This column reflects only directors who received compensation during Fiscal 2014. Note that David R. Lumley is a current director not reflected in this table.
- (2) Amounts reflected in this column include the annual retainer fees and committee chair fees paid in cash to Mr. Davis during Fiscal 2014. All of the other directors named in this table elected to receive the cash portion of their annual director compensation in the form of RSUs in lieu of cash, and such amounts are included in the "Stock Awards" column of this table.
- (3) Amounts in this column represent the aggregate grant date fair value of each award computed in accordance with FASB ASC Topic 718. The value was computed by multiplying the number of shares underlying the stock award by the closing price per share of the Company's common stock on each grant date (or, as applicable, the last trading date immediately prior to the grant date if the grant date fell on a date when the NYSE was closed), which was \$66.82 on October 1, 2013, \$70.55 on December 31, 2013, \$69.00 on January 17, 2014, \$79.65 on April 1, 2014, and \$86.08 on July 1, 2014.
- (4) Includes 1,595 RSUs granted to Mr. Ambrecht on October 1, 2013 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014), and grants of 456 RSUs on October 1, 2013 and 425 RSUs on January 1, 2014 in lieu of the cash portion of Mr. Ambrecht's annual director compensation (which each vested in full on the respective dates of grant).

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and 865 RSUs on January 17, 2014 in lieu of the cash portion of Mr. Ambrecht's annual director compensation for the remainder of Fiscal 2014 (which vested in full on September 30, 2014). As of September 30, 2014, Mr. Ambrecht did not hold any outstanding unvested RSUs.

- (5) Includes dividends paid on RSUs held by Mr. Ambrecht (\$1,974) which were not factored into the grant date fair value of the RSUs, and reimbursements of travel expenses for board of directors meetings (\$3,451).
- (6) Includes 1,595 RSUs granted to Mr. Asali on January 20, 2014 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014) and a grant of 761 RSUs on January 20, 2014 in lieu of Mr. Asali's quarterly cash portion of his annual director compensation (which vested in full on the date of grant). As of September 30, 2014, Mr. Asali did not hold any outstanding unvested RSUs.
- (7) Includes 1,595 RSUs granted to Mr. Davis on October 1, 2013 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014). As of September 30, 2014, Mr. Davis did not hold any outstanding unvested RSUs.
- (8) Includes dividends paid on RSUs held by Mr. Davis (\$1,974) which were not factored into the grant date fair value of the RSUs, and reimbursements of travel expenses for board of directors meetings (\$848).
- (9) Includes 1,595 RSUs granted to Mr. Matthews on October 1, 2013 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014), and grants of 399 RSUs on October 1, 2013 (which will vest in full upon the last day of Mr. Matthew's Board service), 425 RSUs on January 1, 2014 (which will vest on January 1, 2024), 376 RSUs on April 1, 2014, and 349 RSUs on July 1, 2014 in lieu of the cash portion of Mr. Matthews' annual director compensation for Fiscal 2014 (which vested in full on September 30, 2014). As of September 30, 2014, Mr. Matthews held 824 outstanding unvested RSUs.
- (10) Includes dividends paid on RSUs held by Mr. Matthews (\$1,974) which were not factored into the grant date fair value of the RSUs, and reimbursements of travel expenses for board of directors meetings (\$909).
- (11) Includes 1,595 RSUs granted to Mr. Maura on January 20, 2014 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014), and a grant of 761 RSUs on January 20, 2014 in lieu of Mr. Maura's quarterly cash portion of his annual director compensation (which vested in full on the date of grant). As of September 30, 2014, Mr. Maura did not hold any outstanding unvested RSUs.
- (12) Includes 1,595 RSUs granted to Mr. Polistina on October 1, 2013 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014), and grants of 399 RSUs on October 1, 2013, 372 RSUs on January 1, 2014, 329 RSUs on April 1, 2014, and 305 RSUs on July 1, 2014 in lieu of the cash portion of Mr. Polistina's annual director compensation for Fiscal 2014 (which each vested in full on the respective date of grant). Also includes a one-time grant of 7,087 RSUs awarded by the Compensation Committee on December 31, 2013 for Mr. Polistina's services as President of Global Appliances from 2010 to 2013 (that vested in full on the date of grant). As of September 30, 2014, Mr. Polistina did not hold any outstanding unvested RSUs.
- (13) Includes 1,595 RSUs granted to Mr. Rovit on October 1, 2013 under the 2011 Plan representing the equity portion of his annual director compensation (which vested in full on September 30, 2014) and a grant of 456 RSUs on October 1, 2013 (152 of which vested on September 20, 2014, with the remaining RSUs vesting in equal tranches on each of September 30, 2015 and 2016), and a grant of 1,116 RSUs on January 1, 2014 in lieu of the cash portion of Mr. Rovit's annual director compensation for Fiscal 2014 (which vested in full on September 30, 2014). As of September 30, 2014, Mr. Rovit held 304 outstanding unvested RSUs.
- (14) Includes dividends paid on RSUs held by Mr. Rovit (\$1,974) which were not factored into the grant date fair value of the RSUs, and reimbursements of travel expenses for board of directors meetings (\$760).

Compensation Committee Interlocks and Insider Participation

Compensation policies for the SB Holdings' and Spectrum Brands' named executive officers are developed, adopted, reviewed and maintained by the Compensation Committee of SB Holdings. None of our executive officers serves a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

All of Spectrum's issued and outstanding common stock is held by SB/RH Holdings, our direct parent and a wholly owned subsidiary of SB Holdings.

TRANSACTIONS WITH RELATED PERSONS

Review, Approval or Ratification of Transactions with Related Persons

SB Holdings' policies and procedures for review and approval of related-person transactions appear in the Code of Ethics for the Principal Executive Officer and Senior Financial Officers and the Spectrum Brands Code of Business Conduct and Ethics, each of which is posted on our website at www.spectrumbrands.com under "Investor Relations—Corporate Governance." Information contained on or accessible through our website is not part of, and is not incorporated by reference into, this prospectus.

All of SB Holdings' executive officers, directors, and employees are required to disclose to SB Holdings' General Counsel all transactions which involve any actual, potential, or suspected activity or personal interest that creates or appears to create a conflict between the interests of SB Holdings and the interests of their executive officers, directors, or employees. In cases involving executive officers, directors, or senior-level management, SB Holdings' General Counsel will investigate the proposed transaction for potential conflicts of interest and then refer the matter to SB Holdings' Audit Committee to make a full review and determination. In cases involving other employees, SB Holdings' General Counsel, in conjunction with the employee's regional supervisor and SB Holdings' Director of Internal Audit, will review the proposed transaction. If they determine that no conflict of interest will result from engaging in the proposed transaction, then they will refer the matter to SB Holdings' Chief Executive Officer for final approval.

SB Holdings' Audit Committee is required to consider all questions of possible conflicts of interest involving executive officers, directors, and senior-level management and to review and approve certain transactions, including all (i) transactions in which a director, executive officer, or an immediate family member of a director or executive officer has an interest, (ii) proposed business relationships between SB Holdings and a director, executive officer, or other member of senior management, (iii) investments by an executive officer in a company that competes with SB Holdings or has an interest in a company that does business with SB Holdings, and (iv) situations where a director or executive officer proposes to be a customer of SB Holdings, be employed by, serve as a director of, or otherwise represent a customer of SB Holdings.

SB Holdings' legal department and financial accounting department monitor transactions for an evaluation and determination of potential related person transactions that would need to be disclosed in SB Holdings' and our periodic reports or proxy materials under generally accepted accounting principles and applicable SEC rules and regulations.

Transactions with Related Persons

Merger Agreement and Registration Rights Agreement

On June 16, 2010, the Company completed its merger with Russell Hobbs, Inc. ("Russell Hobbs") (the "Russell Hobbs Merger") pursuant to the Agreement and Plan of Merger, dated as of February 9, 2010, as amended on March 1, 2010, March 26, 2010, and April 30, 2010, by and among SB Holdings, Russell Hobbs, Spectrum Brands, Battery Merger Corp., and Grill Merger Corp. In connection with the Russell Hobbs Merger, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (together the "Harbinger Parties") and SB Holdings entered into a stockholder agreement, dated February 9, 2010 (the "Stockholder Agreement"), which provides for certain protective provisions in favor of minority stockholders and provides certain rights and imposes certain obligations on the Harbinger Parties, including:

- for so long as the Harbinger Parties and their affiliates beneficially own 40% or more of the outstanding voting securities of SB Holdings, the Harbinger Parties and SB Holdings will cooperate to ensure, to the greatest extent possible, the continuation of the structure of SB Holdings' board of directors as described in the Stockholder Agreement;

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- the Harbinger Parties will not effect any transfer of equity securities of SB Holdings to any person that would result in such person and its affiliates owning 40% or more of the outstanding voting securities of SB Holdings, unless specified conditions are met; and
- the Harbinger Parties will be granted certain access and informational rights with respect to SB Holdings and its subsidiaries.

Pursuant to a joinder to the Stockholder Agreement entered into by the Harbinger Parties and HRG, upon consummation of the previously disclosed share exchange between the Harbinger Parties and HRG on January 7, 2011 (such transaction, the “Share Exchange”), HRG became a party to the Stockholder Agreement, and is subject to all of the covenants, terms and conditions of the Stockholder Agreement to the same extent as the Harbinger Parties were bound thereunder prior to giving effect to the Share Exchange.

Certain provisions of the Stockholder Agreement terminate on the date on which the Harbinger Parties or HRG no longer beneficially own, in the aggregate, 40% or more of the outstanding voting securities of SB Holdings. The Stockholder Agreement terminates when any person (including the Harbinger Parties or HRG) becomes the beneficial owner of 90% or more of the outstanding voting securities of SB Holdings.

Also in connection with the Russell Hobbs Merger, the Harbinger Parties and SB Holdings entered into a registration rights agreement, dated as of February 9, 2010 (the “SB Holdings Registration Rights Agreement”), pursuant to which the Harbinger Parties have, among other things and subject to the terms and conditions set forth therein, certain demand and so-called “piggy back” registration rights with respect to their shares of SB Holdings’ common stock. On September 10, 2010, the Harbinger Parties and HRG entered into a joinder to the SB Holdings Registration Rights Agreement, pursuant to which, effective upon the consummation of the Share Exchange, HRG became a party to the SB Holdings Registration Rights Agreement, entitled to the rights and subject to the obligations of a holder thereunder.

Initial 2025 Notes

Jefferies LLC, a wholly owned subsidiary of Leucadia National Corporation, which through subsidiaries beneficially owns approximately 23% of the outstanding common stock of HRG, which in turn owned 58% of SB Holdings’ outstanding common stock as of June 30, 2015, acted as (i) one of the initial purchasers for the issuance of the 2025 initial notes and (ii) one of the underwrites for Spectrum Brands’ equity offering and one of the financing institutions that committed to provide to Spectrum Brands “back stop” bridge facilities in an aggregate amount of \$1.5 billion in connection with the financing of the AAG Acquisition.

DESCRIPTION OF OTHER INDEBTEDNESS

Credit Agreement

On June 23, 2015, we entered into the Credit Agreement by and among Spectrum Brands, SB/RH Holdings, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time.

General

The terms of the Credit Agreement allows Spectrum Brands and certain of its subsidiaries, subject to certain conditions, to increase the amount of the commitment thereunder by an aggregate incremental amount not to exceed at the time of incurrence the sum of (x) \$900 million plus (y) all voluntary prepayments (unless funded by a contemporaneous refinancing or new long-term indebtedness) of the New Credit Facilities. Incremental amounts may be incurred in reliance on the basket in clause (x) or clause (y) plus (z) additional amounts so long as on the date of incurrence thereof (or, at our option, on the date of establishment of the commitments in respect thereof), the First Lien Leverage Ratio (as defined in the Credit Agreement) on a pro forma basis would not exceed 3.25:1.00. As of the date hereof, no such incremental amounts have been committed to by any lender.

Obligations under the Credit Agreement and, at our option, under certain interest rate protection or other hedging arrangements and certain cash management arrangements (collectively, the “Secured Obligations”) are guaranteed by SB/RH Holdings and the direct and indirect wholly-owned domestic subsidiaries of SB/RH Holdings, other than Spectrum Brands (the “Subsidiary Guarantors”), subject to certain exceptions, pursuant to the Loan Guaranty, dated as of June 23, 2015, by and among SB/RH Holdings, the subsidiary guarantors party thereto from time to time and Deutsche Bank AG New York Branch, as administrative agent and collateral agent (the “Loan Guaranty”). The Secured Obligations are secured by first-priority liens on substantially all of the assets of Spectrum Brands and the Subsidiary Guarantors and on the equity interests of Spectrum Brands directly held by SB/RH Holdings pursuant to the Security Agreement, dated as of June 23, 2015, by and among Spectrum Brands, SB/RH Holdings, the subsidiary guarantors party thereto from time to time and Deutsche Bank AG New York Branch, as collateral agent (the “Security Agreement”).

All outstanding amounts under the USD Term Loan Facility (if funded in U.S. dollars) will bear interest, at Spectrum’s option, at a rate per annum equal to (x) the LIBO rate with a 0.75% floor, adjusted for statutory reserves, plus a margin equal to 3.00% or (y) the Alternate Base Rate (as defined in the Credit Agreement), plus a margin equal to 2.00%, which margins may be reduced by 0.25% based on achieving a certain First Lien Leverage Ratio specified in the Credit Agreement. The Euro Term Loan Facility (if funded in Euros) will bear interest at a rate per annum equal to the EURIBOR Rate (as defined in the Credit Agreement) with a 0.75% per annum floor, plus a margin equal to 2.75% per annum. The CAD Term Loan Facility (if funded in Canadian dollars) will bear interest, at Spectrum’s option, at a rate per annum equal to (x) the BA Rate (as defined in the Credit Agreement) with a 0.75% floor, plus a margin equal to 3.50% or (y) the Canadian Base Rate (as defined in the Credit Agreement), plus a margin equal to 2.50%. The Term Credit Facilities will mature on the seventh anniversary of June 23, 2015.

All outstanding amounts under the Revolving Credit Facility (if funded in U.S. dollars) will bear interest, at Spectrum’s option, at a rate per annum equal to (x) the LIBO rate with a 0.75% floor, adjusted for statutory reserves, plus a margin equal to 3.00% or (y) the Alternate Base Rate (as defined in the Credit Agreement), plus a margin equal to 2.00%, which margins may be reduced by 0.25% based on achieving a certain First Lien Leverage Ratio specified in the Credit Agreement. The Revolving Credit Facility (if funded in Euros) will bear interest at a rate per annum equal to the EURIBOR Rate (as defined in the Credit Agreement) with a 0.75% per annum floor, plus a margin equal to 2.75% per annum, which margin may be reduced by 0.25% based on achieving a certain First Lien Leverage Ratio specified in the Credit Agreement. The Revolving Credit Facility (if funded in Canadian dollars) will bear interest, at Spectrum’s option, at a rate per annum equal to (x) the BA Rate (as defined in the Credit Agreement) with a 0.75% floor, plus a margin equal to 3.50% or (y) the Canadian

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Base Rate (as defined in the Credit Agreement), plus a margin equal to 2.50%, which margins may be reduced by 0.25% based on achieving a certain First Lien Leverage Ratio specified in the Credit Agreement. The Revolving Credit Facility will mature on the fifth anniversary of June 23, 2015.

Subject to certain exceptions, the Credit Agreement requires mandatory prepayments, in amounts equal to (i) 50% (reduced to 25% and 0% upon the achievement of certain specified First Lien Leverage Ratio) of excess cash flow (as defined in the Credit Agreement), at the end of each fiscal year commencing with the fiscal year ending September 30, 2016, (ii) 100% of the net cash proceeds from certain asset sales by Spectrum Brands or any of its restricted subsidiaries and certain casualty and condemnation events (subject to certain exceptions and reinvestment rights) and (iii) 100% of the net cash proceeds from the issuance or incurrence after June 23, 2015 of any additional debt by Spectrum Brands or any of its restricted subsidiaries excluding debt permitted under the Credit Agreement except for permitted refinancing indebtedness.

Voluntary prepayments of borrowings under the Credit Agreement are permitted at any time, in agreed-upon minimum principal amounts. There is a prepayment fee equal to 1.00% of the principal amount of the loans under any New Term Loan Facility optionally prepaid with the proceeds of lower cost debt on or prior to the date that is six months following June 23, 2015. Prepayment made after such date will not be subject to premium or penalty (except customary LIBOR breakage costs, if applicable).

6.375% and 6.625% Senior Notes

On December 17, 2012, Spectrum Brands assumed \$520,000,000 aggregate principal amount of 6.375% Senior Notes at par value, due November 15, 2020 (the “6.375% Notes”) and \$570,000,000 aggregate principal amount of 6.625% Senior Notes at par value, due November 15, 2022, previously issued by Spectrum Brands Escrow Corporation. The 6.375% Notes and the 6.625% Notes are unsecured and guaranteed by Spectrum Brands’ parent company, SB/RH Holdings, as well as by existing and future domestic restricted subsidiaries.

The indenture governing the 6.375% Notes and the 6.625% Notes (the “2020/22 Indenture”) provides that Spectrum Brands may redeem all or part of the 6.375% Notes and the 6.625% Notes, upon not less than 30 or more than 60 days’ notice, at specified redemption prices. Further, the 2020/22 Indenture requires Spectrum Brands to make an offer, in cash, to repurchase all or a portion of the applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of Spectrum Brands, as defined in such indenture.

The 2020/22 Indenture contains customary covenants that limit, among other things, the incurrence of additional indebtedness, payment of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2020/22 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2020/22 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 6.375% Notes and the 6.625% Notes. If any other event of default under the 2020/22 Indenture occurs and is continuing, the trustee for the 2020/22 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 6.375% Notes, or the 6.625% Notes, may declare the acceleration of the amounts due under those notes.

THE EXCHANGE OFFER

Terms of the Exchange Offer

We are offering to exchange our exchange notes for a like and corresponding aggregate principal amount of our initial notes.

The exchange notes that we propose to issue in this exchange offer will be substantially identical to the form and terms of our initial notes except that, unlike our initial notes, the exchange notes (i) have been registered under the Securities Act and will be freely tradable by persons who are not our affiliates or subject to restrictions due to being a broker-dealer, (ii) are not entitled to the registration rights applicable to the initial notes under the applicable Registration Rights Agreement and (iii) our obligation to pay additional interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes. In addition, our obligation to pay interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes. You should read the description of the exchange notes in the sections in this prospectus entitled “Description of 2024 Notes” and “Description of 2025 Notes,” as applicable.

Initial notes may be exchanged only for a minimum principal denomination of \$2,000 and in integral multiples of \$1,000 in excess thereof.

We reserve the right in our sole discretion to purchase or make offers for any initial notes that remain outstanding following the expiration or termination of this exchange offer and, to the extent permitted by applicable law, to purchase initial notes in the open market or privately negotiated transactions, one or more additional tender or exchange offers or otherwise. The terms and prices of these purchases or offers could differ significantly from the terms of this exchange offer.

Expiration Date; Extensions; Amendments; Termination

This exchange offer will expire at 5:00 p.m., New York City time, on the expiration date unless we extend it in our reasonable discretion. The expiration date of this exchange offer will be at least 20 business days after the commencement of the exchange offer in accordance with Rule 14e-1(a) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

We expressly reserve the right to delay acceptance of any initial notes (only due to an extension of this exchange offer) in accordance with Rule 14e-1(c), extend or terminate this exchange offer and not accept any initial notes that we have not previously accepted if any of the conditions described below under “—Conditions to the Exchange Offer” have not been satisfied or waived by us. We will notify the exchange agent of any extension by oral notice promptly confirmed in writing or by written notice. We will also notify the holders of the initial notes by a press release or other public announcement communicated before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date unless applicable laws require us to do otherwise.

We also expressly reserve the right to amend the terms of this exchange offer in any manner. If we make any material change, we will promptly disclose this change in a manner reasonably calculated to inform the holders of our initial notes of the change including providing public announcement or giving oral or written notice to these holders. A material change in the terms of this exchange offer could include a change in the timing of this exchange offer, a change in the exchange agent and other similar changes in the terms of this exchange offer. If we make any material change to this exchange offer, we will disclose this change by means of a post-effective amendment to the registration statement which includes this prospectus and will distribute an amended or supplemented prospectus to each registered holder of initial notes. In addition, we will extend this exchange offer for an additional five to ten business days as required by the Exchange Act, depending on the significance of the amendment, if this exchange offer would otherwise expire during that period. We will promptly notify the exchange agent by oral notice, promptly confirmed in writing, or written notice of any delay in acceptance, extension, termination or amendment of this exchange offer.

Procedures for Tendering Initial Notes

Proper Execution and Delivery of Letters of Transmittal

To tender your initial notes in this exchange offer, you must use *one of the three* alternative procedures described below:

- (1) *Regular delivery procedure:* Complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal. Have the signatures on the letter of transmittal guaranteed if required by the letter of transmittal. Mail or otherwise deliver the letter of transmittal or the facsimile together with the certificates representing the initial notes being tendered and any other required documents to the exchange agent before 5:00 p.m., New York City time, on the expiration date.
- (2) *Book-entry delivery procedure:* Send a timely confirmation of a book-entry transfer of your initial notes, if this procedure is available, into the exchange agent's account at DTC in accordance with the procedures for book-entry transfer described under "—Book-Entry Delivery Procedure" below, before 5:00 p.m., New York City time, on the expiration date.
- (3) *Guaranteed delivery procedure:* If time will not permit you to complete your tender by using the procedures described in (1) or (2) above before the expiration date and this procedure is available, comply with the guaranteed delivery procedures described under "—Guaranteed Delivery Procedure" below.

The method of delivery of the initial notes, the letter of transmittal and all other required documents is at your election and risk. Instead of delivery by mail, we recommend that you use an overnight or hand-delivery service. If you choose the mail, we recommend that you use registered mail, properly insured, with return receipt requested. **In all cases, you should allow sufficient time to assure timely delivery.** You should not send any letters of transmittal or initial notes to us. You must deliver all documents to the exchange agent at its address provided below. You may also request your broker, dealer, commercial bank, trust company or nominee to tender your initial notes on your behalf.

Only a holder of initial notes may tender initial notes in this exchange offer. A holder is any person in whose name initial notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder.

If you are the beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your notes, you must contact that registered holder promptly and instruct that registered holder to tender your notes on your behalf. If you wish to tender your initial notes on your own behalf, you must, before completing and executing the letter of transmittal and delivering your initial notes, either make appropriate arrangements to register the ownership of these notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

You must have any signatures on a letter of transmittal or a notice of withdrawal guaranteed by:

- (1) a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc. ("FINRA");
- (2) a commercial bank or trust company having an office or correspondent in the United States; or
- (3) an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act, *unless* the initial notes are tendered:
 - (a) by a registered holder or by a participant in DTC whose name appears on a security position listing as the owner, who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal and only if the exchange notes are being issued directly to this registered holder or deposited into this participant's account at DTC; or

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- (b) for the account of a member firm of a registered national securities exchange or of FINRA, a commercial bank or trust company having an office or correspondent in the United States or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act.

If the letter of transmittal or any bond powers are signed by:

- (1) the registered holder(s) of the initial notes tendered: the signature must correspond with the name(s) written on the face of the initial notes without alteration, enlargement or any change whatsoever.
- (2) a participant in DTC: the signature must correspond with the name as it appears on the security position listing as the holder of the initial notes.
- (3) a person other than the registered holder of any initial notes: these initial notes must be endorsed or accompanied by bond powers and a proxy that authorize this person to tender the initial notes on behalf of the registered holder, in satisfactory form to us as determined in our sole discretion, in each case, as the name of the registered holder or holders appears on the initial notes.
- (4) trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity: these persons should so indicate when signing. Unless waived by us, evidence satisfactory to us of their authority to so act must also be submitted with the letter of transmittal.

To tender your initial notes in this exchange offer, you must make the following representations:

- (1) you are authorized to tender, sell, assign and transfer the initial notes tendered and to acquire exchange notes issuable upon the exchange of such tendered initial notes, and that we will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by us;
- (2) any exchange notes acquired by you pursuant to this exchange offer are being acquired in the ordinary course of business, whether or not you are the holder;
- (3) you or any other person who receives exchange notes, whether or not such person is the holder of the exchange notes, has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of such exchange notes and is not participating in, and does not intend to participate in, the distribution of such exchange notes;
- (4) you or such other person who receives exchange notes, whether or not such person is the holder of the exchange notes, is not an "affiliate," (as defined in Rule 405 of the Securities Act), of ours, or if you or such other person is an affiliate, you or such other person will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
- (5) if you are not a broker-dealer, you represent that you are not engaged in, and do not intend to engage in, a distribution of exchange notes; and
- (6) if you are a broker-dealer that will receive exchange notes for your own account in exchange for initial notes that were acquired by you as a result of market-making or other trading activities, you acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes.

You must also warrant that the acceptance of any tendered initial notes by us and the issuance of exchange notes in exchange therefor shall constitute performance in full of our obligations under the Registration Rights Agreements relating to the initial notes.

To effectively tender notes through DTC, the financial institution that is a participant in DTC will electronically transmit its acceptance through the Automatic Tender Offer Program. DTC will then edit and verify the acceptance and send an agent's message to the exchange agent for its acceptance. An agent's message

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is a message transmitted by DTC to the exchange agent stating that DTC has received an express acknowledgment from the participant in DTC tendering the notes that this participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce this agreement against this participant.

Book-Entry Delivery Procedure

Any financial institution that is a participant in DTC's systems may make book-entry deliveries of initial notes by causing DTC to transfer these initial notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. To effectively tender the initial notes through DTC, the financial institution that is a participant in DTC will electronically transmit its acceptance through the Automatic Tender Offer Program. DTC will then edit and verify the acceptance and send an agent's message to the exchange agent for its acceptance. An agent's message is a message transmitted by DTC to the exchange agent stating that DTC has received an express acknowledgment from the participant in DTC tendering the initial notes that such participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce this agreement against such participant. The exchange agent will make a request to establish an account for the initial notes at DTC for purposes of this exchange offer within two business days after the date of this prospectus.

A delivery of initial notes through a book-entry transfer into the exchange agent's account at DTC will only be effective if an agent's message, or the letter of transmittal or a facsimile of the letter of transmittal with any required signature guarantees and any other required documents, is transmitted to and received by the exchange agent at the address indicated below under "—Exchange Agent" before 5:00 p.m., New York City time, on the expiration date unless the guaranteed delivery procedures described below are complied with. **Delivery of documents to DTC does not constitute delivery to the exchange agent.**

Guaranteed Delivery Procedure

If you are a registered holder of initial notes and desire to tender your notes, and (1) these notes are not immediately available, (2) time will not permit your notes or other required documents to reach the exchange agent before 5:00 p.m., New York City time, on the expiration date, or (3) the procedures for book-entry transfer cannot be completed on a timely basis, you may still tender your initial notes in this exchange offer if:

- (1) you tender through a member firm of a registered national securities exchange or of FINRA, a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act;
- (2) before 5:00 p.m., New York City time, on the expiration date, the exchange agent receives a properly completed and duly executed letter of transmittal or facsimile of the letter of transmittal, and a notice of guaranteed delivery, substantially in the form provided by us, with your name and address as holder of the initial notes and the amount of notes tendered, stating that the tender is being made by that letter and notice and guaranteeing that within three New York Stock Exchange (the "NYSE") trading days after the expiration date the certificates for all the initial notes tendered, in proper form for transfer, or a book-entry confirmation with an agent's message, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and
- (3) the certificates for all your tendered initial notes in proper form for transfer or a book-entry confirmation as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within three NYSE trading days after the expiration date.

Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes

Your tender of initial notes will constitute an agreement between you and us governed by the terms and conditions provided in this prospectus and in the related letter of transmittal.

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We will be deemed to have received your tender as of the date when your duly signed letter of transmittal accompanied by your initial notes tendered, or a timely confirmation of a book-entry transfer of these notes into the exchange agent's account at DTC with an agent's message, or a notice of guaranteed delivery from an eligible institution is received by the exchange agent.

All questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tenders will be determined by us in our sole discretion. Our determination will be final and binding.

We reserve the absolute right to reject any and all initial notes not properly tendered or any initial notes which, if accepted, would, in our opinion or our counsel's opinion, be unlawful. We also reserve the absolute right to waive any conditions of this exchange offer or irregularities or defects in tender as to particular notes with the exception of conditions to this exchange offer relating to the obligations of broker dealers, which we will not waive. If we waive a condition to this exchange offer, the waiver will be applied equally to all note holders. Our interpretation of the terms and conditions of this exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of initial notes must be cured within such time as we shall determine. None of us, the exchange agent or any other person will be under any duty to give notification of defects or irregularities with respect to tenders of initial notes. None of us, the exchange agent or any other person will incur any liability for any failure to give notification of these defects or irregularities. Tenders of initial notes will not be deemed to have been made until such irregularities have been cured or waived. The exchange agent will return without cost to their holders any initial notes that are not properly tendered and as to which the defects or irregularities have not been cured or waived promptly following the expiration date.

If all the conditions to this exchange offer are satisfied or waived on the expiration date, we will accept all initial notes properly tendered and will issue the exchange notes promptly thereafter. Please refer to the section of this prospectus entitled "—Conditions to the Exchange Offer" below. For purposes of this exchange offer, initial notes will be deemed to have been accepted as validly tendered for exchange when, as and if we give oral or written notice of acceptance to the exchange agent.

We will issue the exchange notes in exchange for the initial notes tendered pursuant to a notice of guaranteed delivery by an eligible institution only against delivery to the exchange agent of the letter of transmittal, the tendered initial notes and any other required documents, or the receipt by the exchange agent of a timely confirmation of a book-entry transfer of initial notes into the exchange agent's account at DTC with an agent's message, in each case, in form satisfactory to us and the exchange agent.

If any tendered initial notes are not accepted for any reason provided by the terms and conditions of this exchange offer or if initial notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged initial notes will be returned without expense to the tendering holder, or, in the case of initial notes tendered by book-entry transfer procedures described above, will be credited to an account maintained with the book-entry transfer facility, promptly after withdrawal, rejection of tender or the expiration or termination of this exchange offer.

By tendering into this exchange offer, you will irrevocably appoint our designees as your attorney-in-fact and proxy, with full power of substitution and re-substitution to the full extent of your rights on the initial notes tendered. This proxy will be considered coupled with an interest in the tendered initial notes. This appointment will be effective only when, and to the extent that, we accept your notes in this exchange offer. All prior proxies on these initial notes will then be revoked and you will not be entitled to give any subsequent proxy. Any proxy that you may give subsequently will not be deemed effective. Our designees will be empowered to exercise all voting and other rights of the holders as they may deem proper at any meeting of note holders or otherwise. The initial notes will be validly tendered only if we are able to exercise full voting rights on the initial notes, including voting at any meeting of the note holders, and full rights to consent to any action taken by the note holders.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw tenders of initial notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you must send a written or facsimile transmission notice of withdrawal to the exchange agent before 5:00 p.m., New York City time, on the expiration date at the address provided below under “—Exchange Agent” and before acceptance of your tendered notes for exchange by us.

Any notice of withdrawal must:

- (1) specify the name of the person having tendered the initial notes to be withdrawn;
- (2) identify the notes to be withdrawn, including, if applicable, the registration number or numbers and total principal amount of these notes;
- (3) be signed by the person having tendered the initial notes to be withdrawn in the same manner as the original signature on the letter of transmittal by which these notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to permit the trustee for the initial notes to register the transfer of these notes into the name of the person having made the original tender, and withdrawing the tender;
- (4) specify the name in which any of these initial notes are to be registered, if this name is different from that of the person having tendered the initial notes to be withdrawn; and
- (5) if applicable because the initial notes have been tendered through the book-entry procedure, specify the name and number of the participant’s account at DTC to be credited, if different than that of the person having tendered the initial notes to be withdrawn.

We will determine all questions as to the validity, form and eligibility, including time of receipt, of all notices of withdrawal and our determination will be final and binding on all parties. Initial notes that are withdrawn will be deemed not to have been validly tendered for exchange in this exchange offer.

The exchange agent will return without cost to their holders all initial notes that have been tendered for exchange and are not exchanged for any reason, promptly after withdrawal, rejection of tender or expiration or termination of this exchange offer.

You may retender properly withdrawn initial notes in this exchange offer by following one of the procedures described under “—Procedures for Tendering Initial Notes” above at any time before 5:00 p.m., New York City time, on the expiration date.

Conditions to the Exchange Offer

We will complete this exchange offer with respect to the applicable series of notes only if:

- (1) there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer for such series of notes;
- (2) there is no change in the current interpretation of the staff of the SEC which permits resales of such series of exchange notes;
- (3) there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the applicable indenture governing the exchange notes under the Trust Indenture Act;
- (4) there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer for such series of notes; and
- (5) we obtain all the governmental approvals we deem necessary to complete this exchange offer for such series of notes.

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These conditions are for our sole benefit. We may assert any one of these conditions regardless of the circumstances giving rise to it and may also waive any one of them, in whole or in part, at any time and from time to time, if we determine in our reasonable discretion that it has not been satisfied, subject to applicable law. Notwithstanding the foregoing, all conditions to this exchange offer must be satisfied or waived before the expiration of this exchange offer. If we waive a condition to this exchange offer, the waiver will be applied equally to all note holders of such series. We will not be deemed to have waived our rights to assert or waive these conditions if we fail at any time to exercise any of them. Each of these rights will be deemed an ongoing right which we may assert at any time and from time to time.

If we determine that we may terminate this exchange offer because any of these conditions is not satisfied, we may:

- (1) refuse to accept and return to their holders any initial notes that have been tendered;
- (2) extend the exchange offer and retain all initial notes tendered before 5:00 p.m., New York City time, on the expiration date, subject to the rights of the holders of these notes to withdraw their tenders; or
- (3) waive any condition that has not been satisfied and accept all properly tendered initial notes that have not been withdrawn or otherwise amend the terms of this exchange offer in any respect as provided under the section in this prospectus entitled “—Expiration Date; Extensions; Amendments; Termination.”

Accounting Treatment

We will record the exchange notes at the same carrying value as the initial notes, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes. We will amortize the costs of the offering of the initial notes and the exchange offer and the unamortized expenses related to the issuance of the exchange notes over the term of the exchange notes.

Exchange Agent

We have appointed U.S. Bank National Association as exchange agent for this exchange offer. You should direct all questions and requests for assistance on the procedures for tendering and all requests for additional copies of this prospectus or the letter of transmittal to the exchange agent as follows:

By Registered and Certified Mail:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By Regular Mail or Overnight Courier:

U.S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By Facsimile (for eligible institutions only): (651) 466-7372

For Information or Confirmation by Telephone: (800) 934-6802

Fees and Expenses

We will bear the expenses of soliciting tenders in this exchange offer, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

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We will not make any payments to brokers, dealers or other persons soliciting acceptances of this exchange offer. However, we will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection with this exchange offer. We will also pay brokerage houses and other custodians, nominees and fiduciaries their reasonable out-of-pocket expenses for forwarding copies of the prospectus, letters of transmittal and related documents to the beneficial owners of the initial notes and for handling or forwarding tenders for exchange to their customers.

We will pay all transfer taxes, if any, applicable to the exchange of initial notes in accordance with this exchange offer. However, tendering holders will pay the amount of any transfer taxes, whether imposed on the registered holder or any other persons, if:

- (1) certificates representing exchange notes or initial notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the notes tendered;
- (2) tendered initial notes are registered in the name of any person other than the person signing the letter of transmittal; or
- (3) a transfer tax is payable for any reason other than the exchange of the initial notes in this exchange offer.

If you do not submit satisfactory evidence of the payment of any of these taxes or of any exemption from this payment with the letter of transmittal, we will bill you directly the amount of these transfer taxes.

Your Failure to Participate in the Exchange Offer May Have Adverse Consequences

The initial notes were not registered under the Securities Act or under the securities laws of any state and you may not resell them, offer them for resale or otherwise transfer them unless they are subsequently registered or resold under an exemption from the registration requirements of the Securities Act and applicable state securities laws. If you do not exchange your initial notes for exchange notes in accordance with this exchange offer, or if you do not properly tender your initial notes in this exchange offer, you will not be able to resell, offer to resell, or otherwise transfer, the initial notes unless they are registered under the Securities Act or unless you resell them, offer to resell, or otherwise transfer, them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

In addition, except as set forth in this paragraph, you will not be able to obligate us to register the initial notes under the Securities Act. You will not be able to require us to register your initial notes under the Securities Act unless:

- (1) because of any change in law or in applicable interpretations thereof by the SEC staff, we are not permitted to effect the exchange offer for the applicable series of notes;
- (2) (i) with respect to the 2024 notes, the exchange offer is not consummated within 440 days of December 4, 2014 and (ii) with respect to the 2025 notes, the exchange offer is not consummated within 440 days of May 20, 2015;
- (3) you so request with respect to your initial notes that are not eligible to be exchanged for exchange notes in this exchange offer; or
- (4) (i) you (so long as you are not an exchanging dealer) are not eligible to participate in this exchange offer or (ii) you (so long as you are not an exchanging dealer) participate in the exchange offer but may not resell the exchange notes without delivering a prospectus.

In these cases, the Registration Rights Agreements require us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer.

Delivery of Prospectus

Each broker-dealer that receives exchange notes for its own account in exchange for initial notes, where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See “Plan of Distribution.”

DESCRIPTION OF 2024 NOTES

In this Description of 2024 Notes, (i) “Spectrum Brands” refers only to Spectrum Brands, Inc. and any successor obligor on the Notes (as defined below), and not to any of its subsidiaries, affiliates or direct or indirect parent companies and (ii) the terms “we,” “our” and “us” refer to Spectrum Brands and the Guarantors. You can find the definitions of certain terms used in this description of notes under “—Certain Definitions.”

Spectrum Brands will issue up to \$250.0 million aggregate principal amount of 6.125% Senior Notes (the “Exchange Notes”) offered hereby under the indenture dated December 4, 2014 among Spectrum Brands, the guarantors named therein and U.S. Bank National Association, as Trustee, as supplemented by the supplemental indenture dated as of February 24, 2015 and as further supplemented by the supplemental indenture dated as of June 23, 2015 (as so supplemented, the “Indenture”), in exchange for a like aggregate principal amount of 6.125% Senior Notes (the “Initial Notes” and, together with the Exchange Notes, the “Notes”). The Exchange Notes that we will issue you in exchange for your existing notes will be substantially identical to your existing notes except that, unlike your existing notes, the Exchange Notes will have no transfer restrictions or registration rights.

The terms of the Exchange Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended.

The following is a summary of the material provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you. You should read the Indenture in its entirety because it, and not this description, defines your rights as holders of the Notes. Copies of the Indenture are available at the address described under “Where You Can Find More Information.”

Basic Terms of Notes

The Notes will:

- be general unsecured obligations of Spectrum Brands, ranking equally in right of payment with all existing and future unsecured senior Indebtedness of Spectrum Brands, including the Initial Notes and Existing Notes;
- be guaranteed by Spectrum Brands’ direct parent, SB/RH Holdings, LLC (“Holdings”), and each of Spectrum Brands’ existing and future Domestic Subsidiaries, which guaranty in each case shall be a senior unsecured obligation of such Guarantor, ranking equally in right of payment with all existing and future senior Indebtedness of such Guarantor;
- rank senior in right of payment to all of Spectrum Brands’ and the Guarantors’ existing and future Indebtedness that expressly provides for its subordination to the Notes and the Note Guarantees;
- be effectively subordinated to any secured Indebtedness of Spectrum Brands, including all Indebtedness under the Term Loan Agreement and the Revolving Credit Agreement, to the extent of the value of the assets securing such Indebtedness; and
- be structurally subordinated to all Indebtedness and other liabilities of Spectrum Brands’ subsidiaries that do not guarantee the Notes.

Principal, Maturity and Interest

The Notes will mature on December 15, 2024. Spectrum Brands will pay interest on the Notes semi-annually in arrears on June 15 and December 15 of each year to holders of record on the immediately preceding June 1 and December 1. Interest on the Notes will accrue from the most recent date to which interest has been paid (including, with respect to Exchange Notes, interest paid on the Initial Notes surrendered for such Exchange Notes) or, if no interest has been paid, from the Issue Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

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Spectrum Brands will pay interest on overdue principal of the Notes at a rate equal to 1.0% per annum in excess of 6.125% per annum and will pay interest on overdue installments of interest at such higher rate, in each case to the extent lawful.

Additional Notes

Subject to the covenants described below, Spectrum Brands may issue additional Notes (“Additional Notes”) under the Indenture in an unlimited aggregate principal amount, having the same terms in all respects as the Notes, or in all respects except with respect to issue price and interest accrued on or prior to the issue date thereof.

To the extent required by applicable tax regulations, if Additional Notes are not fungible with other Notes for U.S. federal income tax purposes, the Additional Notes will trade under a separate CUSIP number and will be treated as a separate class for purposes of transfer and exchange. Nevertheless, the Notes offered hereby and any Additional Notes may, at our election, be treated as a single class for all purposes under the Indenture and vote together as one class on all matters with respect to the Notes.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to Spectrum Brands at least ten Business Days prior to the applicable payment or redemption date, Spectrum Brands will pay all principal, interest and premium, if any, on that Holder’s Notes in accordance with those instructions. All other payments on Notes will be made at the office or agency of the Paying Agent and Registrar unless Spectrum Brands elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The Trustee is acting as Paying Agent and Registrar. Under the Indenture, Spectrum Brands reserves the right to change the Paying Agent or Registrar without prior notice to the Holders, and Spectrum Brands or any of its Subsidiaries may act as Paying Agent or Registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and Spectrum Brands may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. Spectrum Brands is not required to transfer or exchange any Note selected for redemption. Also, Spectrum Brands is not required to transfer or exchange any Note for a period of 15 days before a selection of the Notes to be redeemed.

The registered Holder of a Note will be treated as the owner of such Note for all purposes.

Note Guarantees

Spectrum Brands’ obligations under the Notes and the Indenture will be guaranteed, jointly and severally, on a senior unsecured basis, by Holdings and all of the Domestic Subsidiaries of Spectrum Brands. Each Note Guarantee will:

- be a general, unsecured obligation of the Guarantor;
- rank equally in right of payment with all existing and future unsecured senior Indebtedness of the Guarantor, including the guaranty of the Existing Notes;

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- rank senior in right of payment to all existing and any future subordinated Indebtedness of the Guarantor;
- be effectively subordinated to any secured Indebtedness of the Guarantor, including all Indebtedness of each Guarantor under the Term Loan Agreement and the Revolving Credit Agreement, to the extent of the value of the assets securing such Indebtedness; and
- be structurally subordinated to all Indebtedness and other liabilities of any of Spectrum Brands' subsidiaries that do not guarantee the Notes.

The Indenture will provide that the obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. If Spectrum Brands or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary on or after the Issue Date, then that newly acquired or created Domestic Subsidiary must promptly become a Guarantor, execute a supplemental indenture and deliver an opinion of counsel to the Trustee.

None of Spectrum Brands' Foreign Subsidiaries will guarantee the Notes. Spectrum Brands' Subsidiaries that will not be guaranteeing the Notes had, as of June 28, 2015, approximately 20% of our total liabilities and generated 55% of Spectrum Brands' revenue for the nine-month period ended June 28, 2015. See "Risk Factors—Risks Related to the Notes—The notes will be effectively subordinated to all liabilities of and claims of creditors of all of our foreign subsidiaries." Under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Spectrum Brands' Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture and will not guarantee the Notes.

Optional Redemption

At any time prior to December 15, 2019, Spectrum Brands may redeem the Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the applicable redemption date.

At any time on or after December 15, 2019, Spectrum Brands may redeem all or a part of the Notes, from time to time, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, to the applicable redemption date, in cash, if redeemed during the twelve-month period beginning on December 15 in the years indicated below:

<u>Year</u>	<u>Percentage</u>
2019	103.063%
2020	102.042%
2021	101.021%
2022 and thereafter	100.000%

At any time and from time to time prior to December 15, 2017, Spectrum Brands may redeem the Notes with an amount of cash equal to the net cash proceeds received by Spectrum Brands from one or more Equity Offerings at a redemption price equal to 106.125% of the principal amount plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 35% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes), provided that

(1) in each case the redemption takes place not later than 90 days after the closing of the related Equity Offering, and

(2) not less than 65% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) issued under the Indenture remains outstanding immediately thereafter.

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Notice of any redemption upon any Equity Offering may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at Spectrum Brands' discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

- (1) if the Notes are listed, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or
- (2) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate.

No Notes of less than \$2,000 shall be redeemed in part. Notices of redemption shall be mailed by first class mail, or delivered electronically if held by DTC, at least 30 but not more than 60 days before the redemption date to each Holder of the Notes to be redeemed at its registered address, except that redemption notices may be delivered more than 60 days prior to the redemption date if the notice is issued in connection with the defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. The Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on the Notes or portions of them called for redemption.

Mandatory Redemption; Open Market Purchases and Other Purchases

Spectrum Brands is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

From time to time, Spectrum Brands, its Restricted Subsidiaries, its direct or indirect parents or its Affiliates may acquire the Notes through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as Spectrum Brands, its Restricted Subsidiaries, its direct or indirect parents or its Affiliates (as applicable) may determine (or as may be provided for in the Indenture), which may be more or less than the consideration for which the Notes are being sold and may be less than the redemption price in effect and could be for cash or other consideration, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture. There can be no assurance as to which, if any, of these alternatives or combinations thereof Spectrum Brands, its Restricted Subsidiaries, its direct or indirect parents or its Affiliates may choose to pursue in the future.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each Holder of Notes will have the right to require Spectrum Brands to repurchase all or any part (equal to \$2,000 or a higher multiple of \$1,000) of that Holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, Spectrum Brands will offer a payment (such payment, a "Change of Control Payment") in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest thereon, to the date of purchase. Within 30 days following any Change of Control, Spectrum Brands will mail, or deliver electronically if held by DTC, a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering

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to repurchase Notes on the date specified in such notice (the “Change of Control Payment Date”), which date shall be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. Spectrum Brands will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, Spectrum Brands will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On or before the Change of Control Payment Date, Spectrum Brands will, to the extent lawful:

- (1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an officer’s certificate stating the aggregate principal amount of Notes or portions thereof being purchased by Spectrum Brands.

The Paying Agent will promptly mail or wire transfer to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that such new Note will be in a principal amount of \$2,000 or a higher integral multiple of \$1,000.

Spectrum Brands’ senior credit facilities provide that certain change of control events with respect to Spectrum Brands would constitute a default under these agreements. Any future credit agreements or other agreements to which Spectrum Brands becomes a party may contain similar provisions. Spectrum Brands’ ability to pay cash to the Noteholders following the occurrence of a Change of Control may be limited by Spectrum Brands’ then existing financial resources. Moreover, the exercise by the Noteholders of their right to require Spectrum Brands to purchase the Notes could cause a default under other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on Spectrum Brands. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See “Risk Factors—Risks Related to the Notes—We may not be able to make the change of control offer required by the indenture.”

Spectrum Brands will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by Spectrum Brands and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such notes in a Change of Control Offer and Spectrum Brands, or any third party making a Change of Control Offer in lieu of Spectrum Brands as described above, purchases all of the Notes validly tendered and not withdrawn by such holders, Spectrum Brands or such third party will have the right, upon not less than 30 nor more than 60 days’ prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to but excluding the date of redemption.

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Notes repurchased by Spectrum Brands pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of Spectrum Brands. Notes purchased by a third party pursuant to the preceding paragraphs will have the status of Notes issued and outstanding.

A Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control or other events, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The provisions under the Indenture relative to Spectrum Brand's obligation to make a Change of Control Offer may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes then outstanding.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of Spectrum Brands and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of the Notes to require Spectrum Brands to repurchase such Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Spectrum Brands and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Under a Delaware Chancery Court interpretation of a change of control repurchase requirement with a continuing director provision, a board of directors may approve a slate of shareholder-nominated directors without endorsing them or while simultaneously recommending and endorsing its own slate instead. The foregoing interpretation would permit Spectrum Brands' Board of Directors to approve a slate of directors that included a majority of dissident directors nominated pursuant to a proxy contest, and the ultimate election of such directors would not constitute a "Change of Control" under the Indenture that would trigger the rights of a holder of Notes to require a repurchase of the Notes pursuant to this covenant.

Suspension of Certain Covenants

If at any time after the Issue Date that (i) the Notes are rated Investment Grade by each of S&P and Moody's (or, if either (or both) of S&P and Moody's have been substituted in accordance with the definition of "Rating Agencies," by each of the then applicable Rating Agencies) and (ii) no Default has occurred and is continuing under the Indenture, Spectrum Brands and its Restricted Subsidiaries will not be subject to the covenants in the Indenture specifically listed under the following captions in this "Description of 2024 Notes" section of this prospectus (the "Suspended Covenants"):

- (1) "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";
- (2) "—Certain Covenants—Restricted Payments";
- (3) "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";
- (4) "—Certain Covenants—Transactions with Affiliates";
- (5) "—Certain Covenants—Asset Sales"; and
- (6) clause (3) under "—Certain Covenants—Merger, Consolidation or Sale of Assets."

Additionally, during such time as the above referenced covenants are suspended (a "Suspension Period"), Spectrum Brands will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

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In the event that Spectrum Brands and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the “Reversion Date”) the condition set forth in clause (i) of the first paragraph of this section is no longer satisfied, then Spectrum Brands and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenant with respect to future events.

On each Reversion Date, all Debt incurred during the Suspension Period prior to such Reversion Date will be deemed to be Debt incurred pursuant to clause (b)(2) under “—Incurrence of Indebtedness and Issuance of Preferred Stock.” For purposes of calculating the amount available to be made as Restricted Payments under clause (3) of clause (A) of “—Restricted Payments,” calculations under such covenant shall be made as though such covenant had been in effect since the Issue Date and prior, but not during, the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under the first paragraph of “Restricted Payments.” For purposes of the “Asset Sales” covenant, on the Reversion Date, the amount of unutilized Excess Proceeds will be reset to zero. Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default shall be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during a Suspension Period (or on the Reversion Date after a Suspension Period based solely on events that occurred during the Suspension Period).

There can be no assurance that the Notes will ever achieve or maintain a rating of Investment Grade from the Rating Agencies.

Certain Covenants

Restricted Payments

(A) Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Spectrum Brands’ or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Spectrum Brands or any of its Restricted Subsidiaries) or to the direct or indirect holders of Spectrum Brands’ or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such (other than (A) dividends, payments or distributions payable in Equity Interests (other than Disqualified Stock) of Spectrum Brands or to Spectrum Brands or a Restricted Subsidiary of Spectrum Brands; and (B) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividends, payments or distributions payable on or in respect of any class or series of securities issued by a Restricted Subsidiary that is not Wholly Owned, Spectrum Brands or a Restricted Subsidiary receives at least its pro rata share of such dividends, payments or distributions in accordance with its Equity Interests in such class or series of securities);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Spectrum Brands) any Equity Interests of Spectrum Brands or any direct or indirect parent of Spectrum Brands, including Holdings;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is contractually subordinated in right of payment to the Notes or the Note Guarantees, except (a) payments of interest on or after Stated Maturity thereof, (b) payments, purchases, redemptions, defeasances or other acquisitions or retirements for value of principal on or after the date that is one year prior to the Stated Maturity thereof or (c) payments on Indebtedness permitted to be incurred pursuant to clause (6) of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” or

(4) make any Restricted Investment.

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(All such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as “Restricted Payments”), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(2) Spectrum Brands would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock”; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Spectrum Brands and its Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4) (to the extent such dividends are paid to Spectrum Brands or any of its Restricted Subsidiaries) and (5), (6), (8), (9)(i), (ii) or (iv), (10), (11), (12) and (13) of the next succeeding paragraph (B)), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of Spectrum Brands for the period (taken as one accounting period) from October 1, 2014 to the end of Spectrum Brands’ most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(b) 100% of the aggregate net cash proceeds (and fair market value of marketable securities or other property) received by Spectrum Brands after the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of Spectrum Brands or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Spectrum Brands that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of Spectrum Brands); *plus*

(c) with respect to Restricted Investments made by Spectrum Brands and its Restricted Subsidiaries after the Issue Date, an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) in any Person resulting from repayments of loans or advances, or other transfers of assets, in each case to Spectrum Brands or any Restricted Subsidiary or from the net cash proceeds from the sale of any such Investment (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) from the release of any Guarantee (except to the extent any amounts are paid under such Guarantee) or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments previously made by Spectrum Brands or any Restricted Subsidiary in such Person or Unrestricted Subsidiary; *plus*

(d) \$350.0 million.

(B) So long as, in the case of clauses (7) and (8), no Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend or distribution or consummation of a redemption within 60 days after the date of declaration thereof or the giving of the redemption notice, as applicable, if at said date of declaration or notice such payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of Spectrum Brands or any Guarantor or of any Equity Interests (including Disqualified Stock) of Spectrum Brands or any Restricted Subsidiary in exchange for, or out of the net cash proceeds of a contribution to the common equity of Spectrum Brands or sale (other than to a Subsidiary of Spectrum Brands) of, Equity Interests of Spectrum Brands or any direct or indirect parent of Spectrum Brands (other than Disqualified Stock)

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contributed to the equity of Spectrum Brands, in each case, within 60 days of such redemption, repurchase, retirement, defeasance or other acquisition; provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (3)(b) of the preceding paragraph (A);

(3) the defeasance, repayment, redemption, repurchase or other acquisition of subordinated Indebtedness of Spectrum Brands or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend or distribution by a Restricted Subsidiary of Spectrum Brands to the holders of its common Equity Interests on a *pro rata* basis;

(5) Investments acquired as a capital contribution to, or in exchange for, or out of the net cash proceeds of an offering of, Equity Interests (other than Disqualified Stock) of Spectrum Brands or other contributions to the common equity capital of Spectrum Brands, in each case within 60 days of the acquisition of such Investment; provided that the amount of any such net cash proceeds that are utilized for any such acquisition or exchange shall be excluded from clause (3)(b) of the preceding paragraph (A);

(6) the repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or other convertible or exchangeable securities or the vesting of restricted stock, restricted stock units or similar instruments if such Capital Stock represents fractional shares or all or a portion of the exercise price thereof or withholding taxes payable in connection with the exercise thereof;

(7) the repurchase, redemption or other acquisition or retirement for value of (or payments to Holdings to fund any such repurchase, redemption or other acquisition of value) any Equity Interests of Holdings (or any direct or indirect parent of Holdings) or Spectrum Brands held by any employee, former employee, director or former director of Spectrum Brands (or any of its Restricted Subsidiaries) or Holdings (or any direct or indirect parent of Holdings) or any permitted transferee of any of the foregoing pursuant to the terms of any employee equity subscription agreement, stock option agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any fiscal year, and any payment by Spectrum Brands to Holdings to enable Holdings (or any direct or indirect parent of Holdings) to make such payments, shall not exceed the sum of (x) \$5.0 million and (y) the amount of Restricted Payments permitted but not made pursuant to this clause (7) in prior fiscal years; provided that no more than \$10.0 million may be carried forward in any fiscal year; provided, further, however, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by Spectrum Brands or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of Spectrum Brands or any direct or indirect parent of Spectrum Brands (to the extent contributed to Spectrum Brands) to members of management, directors, employees or consultants of Spectrum Brands, its Restricted Subsidiaries or any direct or indirect parent of Spectrum Brands that occurs after the Issue Date (provided that the amount of cash proceeds utilized for any such repurchase, redemption or other acquisition or dividend will not increase the amount available for Restricted Payments under clause (3)(b) of the preceding paragraph (A)); *plus*

(b) the cash proceeds of key man life insurance policies received by Spectrum Brands or any direct or indirect parent of Spectrum Brands (to the extent contributed to Spectrum Brands) or the Restricted Subsidiaries after the Issue Date;

provided that cancellation of Indebtedness owing to Spectrum Brands or any Restricted Subsidiary from any present or former employees, directors, officers or consultants of Spectrum Brands, any Restricted Subsidiary or the direct or indirect parents of Spectrum Brands in connection with a repurchase of Equity Interests of Spectrum Brands or any of its direct or indirect parents will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

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(8) the payment, repurchase, redemption, defeasance or other acquisition or retirement for value of any subordinated Indebtedness required in accordance with provisions applicable thereto similar to those described under the “*Asset Sales*” and “*Change of Control*” covenants; provided that all Notes tendered by Holders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(9) payments made to Holdings (i) to allow Holdings (or any direct or indirect parent of Holdings) to pay administrative expenses and corporate overhead, franchise fees, public company costs (including SEC and auditing fees) and customary director fees in an aggregate amount not to exceed \$5.0 million in any calendar year; (ii) to allow Holdings to pay premiums and deductibles in respect of directors and officers insurance policies and umbrella excess insurance policies obtained from third-party insurers and indemnities for the benefit of its directors, officers and employees, (iii) to allow Holdings or such other parent of Spectrum Brands to pay reasonable fees and expenses incurred in connection with any unsuccessful debt or equity offering or any unsuccessful acquisition or strategic transaction by such direct or indirect parent company of Spectrum Brands and (iv) to allow Holdings (or any direct or indirect parent of Holdings) to pay income taxes attributable to Spectrum Brands and its Subsidiaries in an amount not to exceed the amount of such taxes that would be payable by Spectrum Brands and its Subsidiaries on a stand-alone basis (if Spectrum Brands were a corporation and parent of a consolidated group including its Subsidiaries); provided that any payments pursuant to this clause (iv) in any period not otherwise deducted in calculating Consolidated Net Income shall be deducted in calculating Consolidated Net Income for such period (and shall be deemed to be a provision for taxes for purposes of calculating Consolidated Cash Flow for such period);

(10) Restricted Payments not otherwise permitted hereby in an aggregate amount not to exceed the greater of 17.5% of Consolidated Cash Flow and \$120.0 million;

(11) (A) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Spectrum Brands or any Restricted Subsidiary or preferred stock of any Restricted Subsidiary issued in accordance with the covenant described under “—*Incurrence of Indebtedness and Issuance of Preferred Stock*” to the extent such dividends are included in the definition of Fixed Charges and payment of any redemption price or liquidation value of any such Disqualified Stock or preferred stock when due at final maturity in accordance with its terms and (B) the declaration and payment of dividends to a direct or indirect parent company of Spectrum Brands, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of preferred stock (other than Disqualified Stock) of such parent company issued after the Issue Date; provided that (i) the aggregate amount of dividends paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to Spectrum Brands from the sale of such preferred stock and (ii) the amount of cash used to make any payments pursuant to this clause (B) shall be excluded from calculations pursuant to clause (3) of the first paragraph above and shall not be used for the purpose of any other Restricted Payment;

(12) any Restricted Payments used to fund the Transactions and the fees and expenses related thereto, including those owed to Affiliates;

(13) any “deemed dividend” resulting under the tax laws from, or in connection with, the filing of a consolidated or combined tax return by Holdings or any direct or indirect parent of Spectrum Brands (and not involving any cash distribution from Spectrum Brands or any Restricted Subsidiary except as permitted by clause (9)(iv) above); and

(14) the payment of dividends to Holdings to fund a payment of dividends on Holdings’ common stock (or the common stock of any direct or indirect parent of Holdings) of up to 6% per annum of the net cash proceeds received by or contributed to Spectrum Brands as a contribution to equity in or from any public offering of common stock of Holdings (or the common stock of any direct or indirect parent of Holdings) other than public offerings registered on Form S-4 or Form S-8 (or their successor or equivalent forms).

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The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued to or by Spectrum Brands or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities in excess of \$10.0 million that are required to be valued by this covenant shall be determined by the Board of Directors.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (14) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, Spectrum Brands will be entitled to divide, classify or re-classify (based on circumstances existing on the date of such reclassification) such restricted payment or portion thereof in any manner that complies with this covenant and such Restricted Payment will be treated as having been made pursuant to only such clause or clauses or the first paragraph of this covenant.

Incurrence of Indebtedness and Issuance of Preferred Stock

(a) Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Debt), and Spectrum Brands will not permit any of its Restricted Subsidiaries to issue any preferred stock; provided, however, that Spectrum Brands or any Restricted Subsidiaries may incur Indebtedness, if the Fixed Charge Coverage Ratio for Spectrum Brands' most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred at the beginning of such four-quarter period; provided, further, that any Restricted Subsidiary that is not a Guarantor may not incur Indebtedness or issue shares of Disqualified Stock or Preferred Stock in a principal amount (or accreted value, as applicable) that, when aggregated with the principal amount (or accreted value, as applicable) of all Indebtedness then outstanding and incurred by such non-Guarantor Restricted Subsidiaries under this clause (a), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any such Indebtedness, exceeds the greater of \$300 million and 50% of the Consolidated Cash Flows of Spectrum Brands for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is incurred and after giving *pro forma* effect thereto (including a *pro forma* application of the net proceeds therefrom) as if such indebtedness had been incurred at the beginning of such four fiscal quarters.

(b) Paragraph (a) of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by Spectrum Brands or any Restricted Subsidiaries of Indebtedness (including Indebtedness under the Revolving Credit Agreement and the Term Loan Agreement) under Credit Facilities (and the incurrence of Guarantees thereof) in an aggregate principal amount at any one time outstanding pursuant to this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of Spectrum Brands and its Restricted Subsidiaries thereunder) not to exceed the sum of (A) the greater of \$700 million and the Borrowing Base; and (B) the greater of (x) \$2,300 million and (y) an amount such that, on a *pro forma* basis after giving effect to the incurrence of such Indebtedness (and application of the net proceeds therefrom), the Secured Leverage Ratio would be no greater than 3.25 to 1.0 (provided that all Indebtedness incurred under clause (B)(y), whether or not secured, shall be included when calculating the Secured Leverage Ratio for purposes of this clause (B)(y)); *less* the aggregate amount of all Net Proceeds of Asset Sales applied by Spectrum Brands or any Restricted Subsidiary to permanently repay any such Indebtedness (and, in the case of any revolving credit Indebtedness, to effect a corresponding commitment reduction thereunder) pursuant to the covenant "—Repurchase at the Option of Holders—Asset Sales";

(2) the incurrence of Existing Indebtedness;

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(3) the incurrence by Spectrum Brands and the Guarantors of Indebtedness represented by the Notes offered hereby (including Exchange Notes but excluding any Additional Notes) and the related Note Guarantees;

(4) the incurrence by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of Indebtedness (including Capital Lease Obligations, mortgage financings or purchase money obligations), incurred for the purpose of financing or reimbursing all or any part of the purchase price or cost of the acquisition, development, construction, purchase, lease, repair, addition or improvement of property (real or personal), plant, equipment or other fixed or capital assets that are used or useful in the Permitted Business, whether through the direct purchase of assets or the purchase of Equity Interests of any Person owning such assets (in each case, incurred within 365 days of such acquisition, development, construction, purchase, lease, repair, addition or improvement), in a principal amount that, when aggregated with the principal amount of all Indebtedness then outstanding under this clause (4), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any such Indebtedness incurred under this clause (4), does not exceed the greater of (a) \$200.0 million and (b) 30% of Consolidated Cash Flow of Spectrum Brands for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is incurred and after giving *pro forma* effect thereto as if such event occurred at the beginning of such four fiscal quarters;

(5) the incurrence by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5), (8), (10), (11) or (16) of this paragraph;

(6) the incurrence by Spectrum Brands or any of its Restricted Subsidiaries of intercompany Indebtedness owing to and held by Spectrum Brands or any of its Restricted Subsidiaries; provided, however, that:

(a) if Spectrum Brands or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of Spectrum Brands, or the Note Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Spectrum Brands or a Restricted Subsidiary thereof and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either Spectrum Brands or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by Spectrum Brands or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the Guarantee by Spectrum Brands or any Restricted Subsidiary of Indebtedness of Spectrum Brands or a Restricted Subsidiary of Spectrum Brands that was permitted to be incurred by another provision of this covenant;

(8) the incurrence by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of other Indebtedness in a principal amount (or accreted amount as applicable) that, when aggregated with the principal amount of all Indebtedness then outstanding under this clause (8), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any such Indebtedness incurred under this clause (8), does not exceed the greater of (a) \$250.0 million and (b) 35% of Consolidated Cash Flow of Spectrum Brands for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is incurred and after giving *pro forma* effect thereto as if such event occurred at the beginning of such four fiscal quarters;

(9) the incurrence of Indebtedness by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of incurrence;

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(10) Acquired Debt; provided that after giving effect to the incurrence thereof, Spectrum Brands either (x) could incur \$1.00 of indebtedness under paragraph (a) above or (y) would have had a Fixed Charge Coverage Ratio equal to or greater than the actual Fixed Charge Coverage Ratio of Spectrum Brands for the four-quarter period immediately prior to such transaction;

(11) the incurrence of Indebtedness by Foreign Subsidiaries; provided that the principal amount (or accreted value, as applicable) incurred under this clause (11), when aggregated with the principal amount (or accreted value, as applicable) of all other Indebtedness then outstanding and incurred under this clause (11), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (11), does not exceed \$500.0 million, and Guarantees thereof by any Foreign Subsidiary;

(12) (A) Indebtedness in respect of bid, performance or surety bonds, workers' compensation claims, self-insurance obligations or health, disability or other benefits to employees or former employees or their families, and Indebtedness incurred in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, in each case incurred in the ordinary course of business, including guarantees or obligations of Spectrum Brands or any Restricted Subsidiary with respect to letters of credit supporting such obligations (in each case other than for an obligation for money borrowed); and (B) Indebtedness consisting of the financing of insurance premiums, in the ordinary course of business;

(13) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(14) Indebtedness of Spectrum Brands or any Restricted Subsidiary incurred in the ordinary course of business under guarantees of Indebtedness of suppliers, licensees, franchisees or customers in an aggregate amount not to exceed \$10.0 million at any time outstanding;

(15) the incurrence by Spectrum Brands or any of its Restricted Subsidiaries of Indebtedness solely in respect of premium financing or similar deferred payment obligations with respect to insurance policies purchased in the ordinary course of business;

(16) Contribution Indebtedness; and

(17) Indebtedness incurred on behalf of, or representing Guarantees of Indebtedness of, joint ventures of Spectrum Brands or any Restricted Subsidiary; provided, however, that the aggregate principal amount of Indebtedness incurred under this clause (17), when aggregated with the principal amount of all other Indebtedness then outstanding and incurred pursuant to this clause (17) does not exceed the greater of \$75.0 million and 10.0% of Consolidated Cash Flow.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that any proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (17) above, or is entitled to be incurred pursuant to paragraph (a) of this covenant, Spectrum Brands will be permitted to divide, classify or reclassify at the time of its incurrence such item of Indebtedness in any manner that complies with this covenant. In addition, any Indebtedness originally classified as incurred pursuant to paragraph (a) or clauses (1) through (17) above may later be reclassified by Spectrum Brands such that it will be deemed as having been incurred pursuant to another of such clauses or paragraph (a) above to the extent that such reclassified Indebtedness could be incurred pursuant to such new clause or paragraph (a) at the time of such reclassification (based on circumstances existing at the time of such reclassification). If any Contribution Debt is designated as incurred under any provision other than clause (16) under paragraph (b), the related issuance of Equity Interests may be included in any calculation under paragraph (A)(3)(b) of "Restricted Payments."

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Subject to the foregoing, any Indebtedness incurred pursuant to clause (1) above shall be deemed for purposes of this covenant to have been incurred on the date such Indebtedness was first incurred until such Indebtedness is actually repaid, other than pursuant to “cash sweep” provisions or any similar provisions under any Credit Facility that provides that such Indebtedness is deemed to be repaid daily (or otherwise periodically).

The amount of Indebtedness incurred in any foreign currency for purposes of the Indenture shall be converted into U.S. dollars at the time of first incurrence, in the case of term debt, or first committed or first incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt, and the amount of such Indebtedness outstanding will not be deemed to change as a result of fluctuations in currency exchange rates after such date of incurrence. However, if the Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and the refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of the refinancing, the U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of the refinancing Indebtedness does not exceed the principal amount of the Indebtedness being refinanced.

Spectrum Brands shall not incur any Indebtedness that is subordinated or junior in right of payment to any Indebtedness of Spectrum Brands unless it is subordinated in right of payment to the Notes at least to the same extent. No Guarantor shall incur any Indebtedness that is subordinated or junior in right of payment to the Indebtedness of such Guarantor unless it is subordinated in right of payment to such Guarantor’s Note Guarantee at least to the same extent. For purposes of the foregoing, no Indebtedness will be deemed to be subordinated or junior in right of payment to any other Indebtedness of Spectrum Brands or any Guarantor, as applicable, solely by reason of any Liens or Guarantees arising or created in respect thereof or by virtue of the fact that the holders of any secured Indebtedness have entered into intercreditor agreements giving one or more of such holders priority over the other holders in the collateral held by them.

Liens

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, without effectively providing that the Notes are secured equally and ratably with (or, if the obligation to be secured by the Lien is subordinated in right of payment to the Notes or any Note Guarantee, prior to) the obligations so secured for so long as such obligations are so secured.

For purposes of determining compliance with this covenant, (A) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of permitted Liens described in clauses (1) through (27) of the definition of “Permitted Liens” or pursuant to the first paragraph of this covenant but may be permitted in part under any combination thereof and (B) in the event that a Lien securing an item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) meets the criteria of one or more of the categories of permitted Liens described in clauses (1) through (27) of the definition of “Permitted Liens” or pursuant to the first paragraph of this covenant, Spectrum Brands shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Lien or such item of Indebtedness secured by such Lien in one of the clauses of the definition of “Permitted Liens” and such Lien securing such item of Indebtedness will be treated as being incurred or existing pursuant to only one of such clauses or pursuant to the first paragraph hereof.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “Increased Amount” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of

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original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on preferred stock in the form of additional shares of preferred stock of the same class, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness described in subclause (x) of the second paragraph of the definition of "Indebtedness."

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to Spectrum Brands or any of its Restricted Subsidiaries or pay any liabilities owed to Spectrum Brands or any of its Restricted Subsidiaries;

(2) make loans or advances to Spectrum Brands or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to Spectrum Brands or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of or with respect to:

(1) the Revolving Credit Agreement, the Term Loan Agreement, Existing Indebtedness or any other agreements as in effect on the Issue Date;

(2) applicable law, rule, regulation or order;

(3) any Person or the property or assets of a Person acquired by Spectrum Brands or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(4) in the case of clause (3) of the first paragraph of this covenant:

(a) provisions that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset;

(b) restrictions existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of Spectrum Brands or any Restricted Subsidiary not otherwise prohibited by the Indenture; or

(c) restrictions arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of Spectrum Brands or any Restricted Subsidiary in any manner material to Spectrum Brands or any Restricted Subsidiary;

(5) customary provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other agreements;

(6) any agreement for the sale or other disposition of all or substantially all of the capital stock of, or property and assets of, a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending such sale or other disposition;

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(7) Indebtedness of a Foreign Subsidiary permitted to be incurred under the Indenture; provided that (a) such encumbrances or restrictions are ordinary and customary with respect to the type of Indebtedness being incurred and (b) such encumbrances or restrictions will not materially (in good faith by the Board of Directors of Spectrum Brands) impair Spectrum Brands' ability to make principal and interest payments on the Notes, as determined;

(8) the Indenture, the Notes, the Exchange Notes, any Additional Notes or the Guarantees;

(9) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(10) other Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries permitted to be incurred after the Issue Date pursuant to the provisions of the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock”; provided that such restrictions will not materially (in the good faith judgment of the Board of Directors of Spectrum Brands) impair Spectrum Brands' ability to make principal and interest payments on the Notes;

(11) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase or other agreement to which Spectrum Brands or any of its Restricted Subsidiaries is a party and entered into in the ordinary course of business; provided that such agreement prohibits the encumbrance of solely the property or assets of Spectrum Brands or such Restricted Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of Spectrum Brands or such Restricted Subsidiary or the assets or property of any other Restricted Subsidiary;

(12) any instrument governing any Indebtedness or Capital Stock of a Person that is an Unrestricted Subsidiary as in effect on the date that such Person becomes a Restricted Subsidiary, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person who became a Restricted Subsidiary, or the property or assets of the Person who became a Restricted Subsidiary and was not entered into in contemplation of the designation of such Subsidiary as a Restricted Subsidiary; provided that, in the case of Indebtedness, the incurrence of such Indebtedness as a result of such Person becoming a Restricted Subsidiary was permitted by the terms of the Indenture;

(13) purchase money obligations for property acquired and Capital Lease Obligations in the ordinary course of business that impose restrictions of the nature discussed in clause (3) of the first paragraph of this covenant on the property so acquired; and

(14) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) of the first paragraph of this covenant imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Spectrum Brands' Board of Directors, not materially more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant, (i) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to Spectrum Brands or a Restricted Subsidiary of Spectrum Brands to other Indebtedness incurred by Spectrum Brands or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

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Merger, Consolidation or Sale of Assets

Spectrum Brands will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not Spectrum Brands is the surviving corporation) or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of Spectrum Brands and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person or Persons, unless:

(1) either: (a) Spectrum Brands is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than Spectrum Brands) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made (i) is a corporation or limited liability company organized or existing under the laws of the United States, any state thereof or the District of Columbia and (ii) assumes all the obligations of Spectrum Brands under the Notes, the Indenture, and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction no Default or Event of Default exists; and

(3) immediately after giving effect to such transaction on a *pro forma* basis, Spectrum Brands or the Person formed by or surviving any such consolidation or merger (if other than Spectrum Brands), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made, will, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be (i) permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock” or (ii) have had a Fixed Charge Coverage Ratio equal to or greater than the actual Fixed Charge Coverage Ratio of Spectrum Brands for the four-quarter period immediately prior to such transaction.

In addition, neither Spectrum Brands nor any Restricted Subsidiary may, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. Clauses (2) and (3) above of this “**Merger, Consolidation or Sale of Assets**” covenant will not apply to any merger, consolidation or sale, assignment, transfer, lease, conveyance or other disposition of assets between or among Spectrum Brands and any of its Restricted Subsidiaries.

Transactions with Affiliates

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an “Affiliate Transaction”) involving payments of consideration in excess of \$5.0 million, unless:

(1) such Affiliate Transaction is on terms that are no less favorable to Spectrum Brands or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s-length transaction by Spectrum Brands or such Restricted Subsidiary with a Person that is not an Affiliate of Spectrum Brands as determined in good faith by a majority of the disinterested members of the Board of Directors; and

(2) Spectrum Brands delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$25.0 million, a resolution of the Board of Directors set forth in an officer’s certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with clause (1) of this covenant and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors.

The following items shall not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) transactions between or among Spectrum Brands and/or its Restricted Subsidiaries;

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(2) payment of reasonable and customary fees and compensation to, and reasonable and customary indemnification arrangements and similar payments on behalf of, directors of Spectrum Brands;

(3) Restricted Payments that are permitted by the provisions of the Indenture described above under the caption “—Restricted Payments,” or any Permitted Investments;

(4) any sale of Capital Stock (other than Disqualified Stock) of Spectrum Brands;

(5) loans and advances to officers and employees of Spectrum Brands or any of its Restricted Subsidiaries or Holdings (or any direct or indirect parent of Holdings) for bona fide business purposes in the ordinary course of business consistent with past practice;

(6) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by Spectrum Brands or any of its Restricted Subsidiaries with officers and employees of Spectrum Brands or any of its Restricted Subsidiaries or Holdings (or any direct or indirect parent of Holdings) and the payment of compensation to officers and employees of Spectrum Brands or any of its Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option or similar plans), in each case in the ordinary course of business;

(7) any agreements or arrangements in effect on the Issue Date, or any amendment, modification, or supplement thereto or any replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced, taken as a whole, is not more disadvantageous to Spectrum Brands and its Restricted Subsidiaries than the original agreement as in effect on the Issue Date, as determined in good faith by Spectrum Brands’ Board of Directors, and any transactions contemplated by any of the foregoing agreements or arrangements;

(8) transactions with customers, clients, suppliers, joint ventures, joint venture partners, Unrestricted Subsidiaries or purchasers or sellers of goods and services, in each case in the ordinary course of business and on terms no less favorable than that available from non-affiliates (as determined by Spectrum Brands) and otherwise not prohibited by the Indenture;

(9) any transaction with an Affiliate (i) where the only consideration paid by Spectrum Brands or any Restricted Subsidiary is Qualified Equity Interests or (ii) consisting of the provision of customary registration rights;

(10) the payment of all Transaction Expenses by Spectrum Brands and its Restricted Subsidiaries;

(11) any merger, consolidation or reorganization of Spectrum Brands (otherwise permitted by the Indenture) with an Affiliate of Spectrum Brands solely for the purpose of (a) reorganizing to facilitate an initial public offering of securities of Spectrum Brands or a direct or indirect parent of Spectrum Brands, (b) forming or collapsing a holding company structure or (c) reincorporating Spectrum Brands in a new jurisdiction;

(12) transactions between Spectrum Brands or any of its Restricted Subsidiaries and any Person that is an Affiliate solely because one or more of its directors is also a director of Spectrum Brands or any direct or indirect parent of Spectrum Brands; provided that such director abstains from voting as a director of Spectrum Brands or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(13) the entering into of any tax sharing agreement or arrangement or any other transactions undertaken in good faith that is consistent with paragraph (b)(9)(iv) of the “—Restricted Payments” covenant; and

(14) transactions in which Spectrum Brands or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an independent accounting, appraisal or investment banking firm of national standing stating that such transaction is fair to Spectrum Brands or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph.

Asset Sales

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Spectrum Brands (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration therefore received by Spectrum Brands or such Restricted Subsidiary is in the form of Cash Equivalents or Replacement Assets. For purposes of this clause, each of the following shall be deemed to be Cash Equivalents:

(a) any liabilities (as shown on Spectrum Brands' or such Restricted Subsidiary's most recent balance sheet) of Spectrum Brands or any Restricted Subsidiary (other than contingent liabilities, Indebtedness that is by its terms subordinated to the Notes or any Note Guarantee and liabilities to the extent owed to Spectrum Brands or any Affiliate of Spectrum Brands) that are assumed by the transferee of any such assets and with respect to which Spectrum Brands and its Restricted Subsidiaries are unconditionally released from further liability in writing or that are otherwise cancelled or terminated in connection with the transaction with such transferee;

(b) any securities, notes or other obligations or assets received by Spectrum Brands or any such Restricted Subsidiary from such transferee that are converted by Spectrum Brands or such Restricted Subsidiary into cash (to the extent of the cash received in that conversion) within 180 days of the applicable Asset Sale; and

(c) any Designated Non-cash Consideration received by Spectrum Brands or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of \$10.0 million or 1.5% of Consolidated Cash Flow at the time of the receipt of such Designated Non-cash Consideration (with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

If at any time any non-cash consideration received by Spectrum Brands or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale is repaid or converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then the date of such repayment, conversion or disposition shall be deemed to constitute the date of an Asset Sale hereunder and the Net Proceeds thereof shall be applied in accordance with this covenant.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, Spectrum Brands may apply such Net Proceeds at its option:

(1) to repay secured Indebtedness or Indebtedness of a non-Guarantor Restricted Subsidiary owed to a Person that is not an Affiliate of Spectrum Brands and, except in the case of Indebtedness under the Revolving Credit Agreement, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to prepay, repay or repurchase any Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries which is not expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of Spectrum Brands, or the Note Guarantee, in the case of a Guarantor; or

(3) to purchase Replacement Assets or make a capital expenditure in or that is used or useful in a Permitted Business; provided that, if during the 365 day period following the consummation of an Asset Sale, Spectrum Brands or a Restricted Subsidiary enters into a definitive binding agreement committing it to apply the Net

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Proceeds in accordance with the requirements of this clause (3) after such 365 day period, such 365 day period will be extended with respect to the amount of Net Proceeds so committed until such Net Proceeds are required to be applied in accordance with such agreement (but such extension will in no event be for a period longer than 180 days) or, if earlier, the date of termination of such agreement; provided, further, that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, then such Net Proceeds shall constitute Excess Proceeds unless Spectrum Brands or such Restricted Subsidiary enters into another binding commitment (a "Second Commitment") within six months of such cancellation or termination of the prior binding commitment; provided, further, that Spectrum Brands or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale and to the extent such Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied or are not applied within 180 days of such Second Commitment, then such Net Proceeds shall constitute Excess Proceeds.

Following the entering into of a binding agreement with respect to an Asset Sale and prior to the consummation thereof, Cash Equivalents (whether or not actual Net Proceeds of such Asset Sale) used for the purposes described in clause (3) that are designated as used in accordance with clause (3), and not previously or subsequently so designated in respect of any other Asset Sale, shall be deemed to be Net Proceeds applied in accordance with clause (3).

Pending the final application of any such Net Proceeds, Spectrum Brands may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in clause (1), (2) or (3) of the second preceding paragraph will constitute "Excess Proceeds." Within 30 days after the aggregate amount of Excess Proceeds exceeds \$50.0 million, Spectrum Brands will make an Asset Sale Offer to all Noteholders and all holders of other Indebtedness that is *pari passu* with the Notes or any Note Guarantee containing provisions similar to those set forth in the Indenture with respect to offers to purchase with the proceeds of sales of assets, to purchase the maximum principal amount of the Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. Spectrum Brands and its Restricted Subsidiaries may make an Asset Sale Offer under this section using Net Proceeds prior to the time any such Net Proceeds become Excess Proceeds, in which case such Net Proceeds shall be deemed to have been applied within the time frame required by this covenant. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount of the Notes and such other *pari passu* Indebtedness plus accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Spectrum Brands may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of the Notes and such other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness shall be purchased on a pro rata basis based on the principal amount of the Notes and such other *pari passu* Indebtedness tendered. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

Spectrum Brands will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with each repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sales provisions of the Indenture, Spectrum Brands will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that:

(1) any Guarantee by Spectrum Brands or any Restricted Subsidiary of any Indebtedness of the Subsidiary being so designated will be deemed to be an incurrence of Indebtedness by Spectrum Brands or such Restricted Subsidiary (or both, if applicable) at the time of such designation, and such incurrence of Indebtedness would be permitted under the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock”;

(2) the aggregate fair market value of all outstanding Investments owned by Spectrum Brands and its Restricted Subsidiaries in the Subsidiary being so designated (including any Guarantee by Spectrum Brands or any Restricted Subsidiary of any Indebtedness of such Subsidiary) will be deemed to be a Restricted Investment made as of the time of such designation and that such Investment would be permitted under the covenant described above under the caption “—Certain Covenants—Restricted Payments”;

(3) such Subsidiary does not own any Equity Interests of, or hold any Liens on any Property of, Spectrum Brands or any Restricted Subsidiary;

(4) the Subsidiary being so designated:

(a) is not party to any agreement, contract, arrangement or understanding with Spectrum Brands or any Restricted Subsidiary of Spectrum Brands that would not be permitted under “Transactions with Affiliates” and;

(b) except as permitted under clauses (1) and (2) above is a Person with respect to which neither Spectrum Brands nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results.

(5) no Default or Event of Default would be in existence following such designation.

If, at any time, any Unrestricted Subsidiary would fail to meet any of the preceding requirements described in clause (4) above, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness, Investments, or Liens on the property, of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of Spectrum Brands as of such date and, if such Indebtedness, Investments or Liens are not permitted to be incurred as of such date under the Indenture, Spectrum Brands shall be in default under the Indenture.

The Board of Directors of Spectrum Brands may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that:

(1) such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Spectrum Brands of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if such Indebtedness is permitted under the covenant described under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock,” calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period;

(2) all outstanding Investments owned by such Unrestricted Subsidiary will be deemed to be made as of the time of such designation and such Investments shall only be permitted if such Investments would be permitted under the covenant described above under the caption “—Certain Covenants—Restricted Payments”;

(3) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under the caption “—Certain Covenants—Liens”; and

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(4) no Default or Event of Default would be in existence following such designation.

Guarantees

If Spectrum Brands or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary on or after the Issue Date, then that newly acquired or created Domestic Subsidiary must promptly become a Guarantor and execute a supplemental indenture and deliver an opinion of counsel to the Trustee.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than Spectrum Brands or another Guarantor unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Guarantor) is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia and assumes all the obligations of that Guarantor under the Indenture, Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture satisfactory to the Trustee; or

(b) except in the case of Holdings, such sale or other disposition or consolidation or merger complies with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales.”

The Note Guarantee of a Guarantor (other than Holdings) will be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) Spectrum Brands or a Restricted Subsidiary, if the sale of all such Capital Stock of that Guarantor does not violate the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales”;

(2) if Spectrum Brands designates such Guarantor as an Unrestricted Subsidiary in accordance with the provisions of the Indenture;

(3) upon legal or covenant defeasance of the Notes or satisfaction and discharge of the Indenture as provided below under the captions “—Legal Defeasance and Covenant Defeasance” and “—Satisfaction and Discharge” or;

(4) upon a sale of Capital Stock which causes such Guarantor to cease to be a Subsidiary if such sale does not violate any of the provisions of the Indenture; provided that such Guarantor is concurrently released from any other Guarantees of Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries at such time.

Reports

So long as any Notes are outstanding, Spectrum Brands will file with the U.S. Securities and Exchange Commission (“Commission”) and furnish to the Trustee and, upon request, to the Holders:

(1) within 90 days after the end of each fiscal year, an annual report on Form 10-K;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, a quarterly report on Form 10-Q; and

(3) promptly from time to time after the occurrence of an event required to be therein reported pursuant to Form 8-K, a current report on Form 8-K.

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If Spectrum Brands is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, Spectrum Brands will nevertheless continue filing the reports specified in the preceding paragraphs of this covenant with the Commission within the time periods specified above unless the Commission will not accept such a filing. If the Commission will not accept Spectrum Brands' filings for any reason, Spectrum Brands will furnish the reports referred to in the preceding paragraphs to the Trustee within the time periods that would apply if Spectrum Brands were required to file those reports with the Commission. Spectrum Brands will not take any action for the purpose of causing the Commission not to accept any such filings. Any information filed with, or furnished to, the Commission via EDGAR shall be deemed to have been made available to the Trustee and the registered holders of the Notes.

Notwithstanding the foregoing, (A) if Holdings or any other direct or indirect parent of Spectrum Brands fully and unconditionally guarantees the Notes, the filing of such reports by such parent within the time periods specified above will satisfy such obligations of Spectrum Brands; provided that such reports shall include the information required by Rule 3-10 of Regulation S-X with respect to Spectrum Brands and the Guarantors and (B) if neither Spectrum Brands nor Holdings is subject to Section 13 or 15(d) of the Exchange Act, the financial statements, information and other documents required to be provided as described above, may be those of (i) Spectrum Brands or (ii) any direct or indirect parent of Spectrum Brands, so long as in the case of (ii) such direct or indirect parent of Spectrum Brands shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any business or operations other than its direct or indirect ownership of all of the Equity Interests in, and its management of Spectrum Brands; provided that, if the financial information so furnished relates to such direct or indirect parent of Spectrum Brands, the same is accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Spectrum Brands and its Restricted Subsidiaries on a standalone basis, on the other hand.

Spectrum Brands shall distribute such information and such reports to the Trustee, and make them available, upon request, to any Holder and to any such prospective investor or securities analyst. To the extent not satisfied by the foregoing, Spectrum Brands shall also make publicly available the information required to be available pursuant to Rule 144A(d)(4) under the Securities Act.

Activities of Holdings

Holdings shall not engage in any material activities or hold any material assets other than holding the Capital Stock of Spectrum Brands and those activities incidental thereto and will not incur any material liabilities other than liabilities relating to its Guarantee of the Notes, its Guarantee of any other Indebtedness of Spectrum Brands or any of its Subsidiaries and any other obligations or liabilities incidental to its activities as a holding company.

Events of Default and Remedies

Each of the following is an Event of Default:

- (1) default for 30 days in the payment when due of interest on the Notes;
- (2) default in payment when due (whether at maturity, upon acceleration, redemption or otherwise) of the principal of, or premium, if any, on the Notes;
- (3) failure by Spectrum Brands or any of its Restricted Subsidiaries to comply with the provisions described under the captions “—Repurchase at the Option of Holders—Change of Control,” “—Repurchase at the Option of Holders—Asset Sales” or “—Certain Covenants—Merger, Consolidation or Sale of Assets” or the provisions described in the second paragraph under the caption “—Certain Covenants—Guarantees”;

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(4) failure by Spectrum Brands or any of its Restricted Subsidiaries for 60 days after written notice by the Trustee or Holders representing 25% or more of the aggregate principal amount of Notes outstanding to comply with any of the other agreements in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Spectrum Brands or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by Spectrum Brands or any of its Restricted Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to make any payment of principal at the final maturity of such Indebtedness (a "Payment Default");

(b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$75.0 million or more;

(6) failure by Spectrum Brands or any of its Restricted Subsidiaries to pay final judgments (to the extent such judgments are not paid or covered by insurance provided by a carrier that has acknowledged coverage in writing and has the ability to perform) aggregating in excess of \$75.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) except as permitted by the Indenture, any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any authorized Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee; and

(8) certain events of bankruptcy or insolvency with respect to Spectrum Brands, any Significant Subsidiary of Spectrum Brands (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary).

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to Spectrum Brands, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to Spectrum Brands specifying the Event of Default.

Holder of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Holders of a majority in principal amount of the Notes then outstanding will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders.

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A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or form the appointment of a recipient or a trustee, or pursue any remedy with respect to the Indenture or the Notes unless:

- (1) the Holder gives the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;
- (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Spectrum Brands is required to deliver to the Trustee annually within 120 days after the end of each fiscal year a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, Spectrum Brands is required to deliver to the Trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator, stockholder or controlling person of Spectrum Brands or any Guarantor, as such, shall have any liability for any obligations of Spectrum Brands or the Guarantors under the Notes, the Indenture, the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to Spectrum Brands) have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable within one year and Spectrum Brands or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts, as determined by Spectrum Brands, as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire

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Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit (other than from the borrowing of funds to be applied to such deposit) and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument (other than the Indenture) to which Spectrum Brands or any Guarantor is a party or by which Spectrum Brands or any Guarantor is bound;

(3) Spectrum Brands or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) Spectrum Brands has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In the case of satisfaction and discharge, upon any redemption that requires the payment of the Applicable Premium, the amount deposited with the trustee shall be sufficient for purposes of clause (1) above and the Indenture to the extent that an amount is deposited with the trustee equal to the Applicable Premium calculated as of the date of such deposit, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an officer's certificate delivered to the trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

In addition, Spectrum Brands must deliver an officer's certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Legal Defeasance and Covenant Defeasance

Spectrum Brands may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes ("Legal Defeasance") except for:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on such Notes when such payments are due from the trust referred to below;

(2) Spectrum Brands' obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and Spectrum Brands' and the Guarantor's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, Spectrum Brands may, at its option and at any time, elect to have the obligations of Spectrum Brands and the Guarantors released with respect to most covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "Events of Default and Remedies" will no longer constitute Events of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) Spectrum Brands must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as

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will be sufficient, in the opinion of a nationally recognized firm of independent public accountants (or, if two or more nationally recognized firms of independent public accountants decline to issue such opinion as a matter of policy, in the opinion of Spectrum Brands' chief financial officer) to pay the principal of, or interest and premium, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and Spectrum Brands must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, Spectrum Brands shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that (a) Spectrum Brands has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, Spectrum Brands shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit other than a Default resulting from the borrowing of funds to be applied to such deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument to which Spectrum Brands or any of its Subsidiaries is a party or by which Spectrum Brands or any of its Subsidiaries is bound;

(6) Spectrum Brands must deliver to the Trustee an officer's certificate stating that the deposit was not made by Spectrum Brands with the intent of preferring the Holders of Notes over the other creditors of Spectrum Brands with the intent of defeating, hindering, delaying or defrauding creditors of Spectrum Brands or others;

(7) if the Notes are to be redeemed prior to their stated maturity, Spectrum Brands must deliver to the Trustee irrevocable instructions to redeem all of the Notes on the specified redemption date; and

(8) Spectrum Brands must deliver to the Trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

In the case of defeasance, upon any redemption that requires the payment of the Applicable Premium, the amount deposited with the trustee shall be sufficient for purposes of clause (1) above and the Indenture to the extent that an amount is deposited with the trustee equal to the Applicable Premium calculated as of the date of such deposit, with the Applicable Premium Deficit only required to be deposited with the trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an officer's certificate delivered to the trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

In the case of legal or covenant defeasance, all Guarantees and Liens will be released.

Amendment, Supplement and Waiver

Except as provided in the next succeeding paragraphs, the Indenture, the Notes or the Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of

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the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each Holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of the Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions, or waive any payment, with respect to the redemption of the Notes (other than the notice period with respect to the redemption of the Notes);

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than U.S. dollars;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium, if any, on the Notes;

(7) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;

(8) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;

(9) amend, change or modify the obligation of Spectrum Brands to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with the “Repurchase at the Option of Holders—Asset Sales” covenant after the obligation to make such Asset Sale Offer has arisen, or the obligation of Spectrum Brands to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with the “Repurchase at the Option of Holders—Change of Control” covenant after such Change of Control has occurred, including, in each case, amending, changing or modifying any definition relating thereto;

(10) except as otherwise permitted under the “Merger, Consolidation and Sale of Assets” covenant, consent to the assignment or transfer by Spectrum Brands of any of its rights or obligations under the Indenture; or

(11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of the Notes, Spectrum Brands, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes or the Guarantees:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition or in place of certificated Notes;

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(3) to provide for the assumption of Spectrum Brands' or any Guarantor's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of Spectrum Brands' or such Guarantor's assets;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder;

(5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

(6) to comply with the provision described under "Certain Covenants—Guarantees";

(7) to evidence and provide for the acceptance of appointment by a successor Trustee;

(8) to provide for the issuance of Additional Notes in accordance with the Indenture; or

(9) to conform any provision to this "Description of 2024 Notes."

Concerning the Trustee

If the Trustee becomes a creditor of Spectrum Brands or any Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The Indenture provides that in case an Event of Default shall occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of such person's own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of the Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"Acquired Debt" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into, or becomes a Subsidiary of, such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquired Debt will be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of such assets.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control,"

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as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” shall have correlative meanings; provided further that Paula Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG, Mannheim shall not be deemed an Affiliate of Spectrum Brands or any of its Restricted Subsidiaries solely by virtue of the beneficial ownership by Spectrum Brands or its Restricted Subsidiaries of up to 20% of the Voting Stock of such entity.

“Applicable Premium” means, with respect to any Note on any redemption date, the greater of

(i) 1.0% of the principal amount of such Note; or

(ii) the excess of:

(a) the present value at such redemption date of (i) the redemption price of such Note at December 15, 2019 (such redemption price being set forth in the table appearing above under “—Optional Redemption”), plus (ii) all required interest payments due on such Note through December 15, 2019 excluding accrued but unpaid interest to the applicable redemption date, computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of such Note.

“Asset Sale” means:

(1) the sale, lease, conveyance or other disposition of any property or assets of Spectrum Brands or any Restricted Subsidiary; provided that the sale, conveyance or other disposition of all or substantially all of the assets of Spectrum Brands and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions described under “—Repurchase at the Option of Holders—Asset Sale”; and

(2) the issuance of Equity Interests (other than directors’ qualifying shares) by any of Spectrum Brands’ Restricted Subsidiaries or the sale by Spectrum Brands or any Restricted Subsidiary of Equity Interests (other than directors’ qualifying shares) in any of its Subsidiaries.

Notwithstanding the preceding, the following items shall be deemed not to be Asset Sales:

(1) any single transaction or series of related transactions that involves assets having a fair market value of less than \$50.0 million;

(2) a transfer of assets between or among Spectrum Brands and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to Spectrum Brands or to another Restricted Subsidiary;

(4) the sale, lease, assignment or other disposition of equipment, inventory, accounts receivable or other assets in the ordinary course of business or consistent with past business practice and any other non-recourse factoring of accounts receivable pursuant to a factoring program sponsored by a retailer of national standing in partnership with a financial institution or otherwise entered into by Spectrum Brands or any of its subsidiaries with a financial institution;

(5) the sale or other disposition of Cash Equivalents;

(6) a Permitted Investment or Restricted Payment that is permitted by the covenant described above under the caption “—Certain Covenants—Restricted Payments”;

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(7) any sale or disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable or no longer used or required for use in the ordinary course of the business of Spectrum Brands or its Restricted Subsidiaries;

(8) the licensing of intellectual property in the ordinary course of business;

(9) any sale or other disposition deemed to occur with creating or granting a Lien not otherwise prohibited by the Indenture;

(10) any surrender or waiver of contract rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(11) foreclosure or any similar action with respect to any property or other asset of Spectrum Brands or any of its Restricted Subsidiaries, which foreclosure or other similar action does not otherwise constitute a Default;

(12) to the extent allowable under Section 1031 of the Internal Revenue Code of 1986, any exchange of like property (excluding any boot thereon) for use in a Permitted Business; and

(13) the unwinding of any Hedging Obligation.

For purposes of this definition, any series of related transactions that, if effected as a single transaction, would constitute an Asset Sale, shall be deemed to be a single Asset Sale effected when the last such transaction which is a part thereof is effected.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” shall be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “Beneficially Owns” and “Beneficially Owned” shall have a corresponding meaning.

“Board of Directors” means:

(1) with respect to a corporation, the board of directors of the corporation or any duly authorized committee thereof having the authority of the full board with respect to the determination to be made;

(2) with respect to a limited liability company, any managing member thereof or, if managed by managers, the board of managers thereof, or any duly authorized committee thereof having the authority of the full board with respect to the determination to be made;

(3) with respect to a partnership, the Board of Directors of the general partner of the partnership; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

“Borrowing Base” means the sum of (A) 80% of the net book value of accounts receivable of Spectrum Brands and its Restricted Subsidiaries and (B) 60% of the net book value of inventory of Spectrum Brands and its Restricted Subsidiaries (with accounts receivable and inventory calculated on the basis that all Investments, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company and its Restricted Subsidiaries prior to or substantially contemporaneous with the date of any calculation shall be included or excluded, as the case may be, on a pro forma basis with such calculations made in good faith by a responsible financial or accounting officer of the Company).

“Capital Lease Obligation” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

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“Capital Stock” means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Cash Equivalents” means (a) United States dollars, Euros, British Pounds Sterling or any other currencies received in the ordinary course of business; (b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition; (c) time deposits, certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any bank or trust company organized or licensed under the laws of the United States or any state thereof or the District of Columbia whose short-term debt is rated “A-2” or higher by S&P or “P-2” or higher by Moody’s; (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above; (e) commercial paper having at least a “P-1” rating from Moody’s or “A-1” from S&P and in each case maturing within nine months after the date of acquisition; (f) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof having the highest ratings obtainable from Moody’s or S&P and maturing within six months from the date of acquisition thereof; (g) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (f) of this definition; and (h) in the case of a Foreign Subsidiary, substantially similar investments, of comparable credit quality, denominated in local currency held by such Foreign Subsidiary from time to time in the ordinary course of business.

“Cash Management Obligations” means, with respect to any Person, all obligations, whether now owing or hereafter arising, of such Person in respect of overdrafts and related liabilities or arising from (i) services in connection with operating, collections, payroll, trust or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox or stop payment services; (ii) commercial credit card and merchant card services; and (iii) other banking products or services (other than letters of credit and leases).

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

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Spectrum Brands and its Restricted Subsidiaries, taken as a whole, to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than a Permitted Holder;

(2) the adoption of a plan relating to the liquidation or dissolution of Spectrum Brands;

(3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the ultimate Beneficial Owner, directly or indirectly, of 50% or more of the voting power of the Voting Stock of Spectrum Brands or Holdings other than a Permitted Holder;

(4) the first day on which a majority of the members of the Board of Directors of Spectrum Brands or Holdings are not Continuing Directors; or

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(5) Holdings ceases to directly own all Capital Stock of Spectrum Brands.

For purposes of this definition, (i) any direct or indirect holding company of Spectrum Brands (including Holdings) shall not itself be considered a Person for purposes of clauses (3) or (5) above or a “person” or “group” for purposes of clauses (3) or (5) above, provided that no “person” or “group” (other than the Permitted Holders or another such holding company) Beneficially Owns, directly or indirectly, more than 50% of the voting power of the Voting Stock of such company, and a majority of the Voting Stock of such holding company immediately following it becoming the holding company of Spectrum Brands is Beneficially Owned by the Persons who Beneficially Owned the voting power of the Voting Stock of Spectrum Brands immediately prior to it becoming such holding company and (ii) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement. In addition, any foreclosure (but not any sale thereof to a third party) with respect to Equity Interests of Spectrum Brands by the trustee or the holders of HRG Group, Inc.’s (f/k/a Harbinger Group Inc.) outstanding secured notes shall not be deemed a Change of Control.

“Change of Control Offer” has the meaning assigned to that term in the Indenture governing the Notes.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

“Consolidated Cash Flow” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(a) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(b) Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that any such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(c) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(d) (i) unusual or non-recurring charges, (ii) relocation costs and integration costs or reserves (including such items related to proposed and completed acquisitions and Asset Sales and to closure/consolidation of facilities), (iii) Transaction Expenses and (iv) severance costs, including such costs related to proposed and completed Permitted Investments and Asset Sales and to closure/consolidation of facilities, in each case incurred by Spectrum Brands, Inc. and its Restricted Subsidiaries; *plus*

(e) the amount of cost savings, operational expense improvements and synergies projected by such person in good faith to be realized as a result of actions taken during such period or to be taken in connection with a transaction that is being given pro forma effect (calculated on a pro forma basis as though such cost savings, operational expense improvements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided that (x) such cost savings, operational expense improvements and synergies are reasonably identifiable and factually supportable and (y) such cost savings, operational expense improvements and synergies are expected in good faith to be realized within 12 months of the end of such period; *minus*

(f) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue consistent with past practice,

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in each case, on a consolidated basis and determined in accordance with GAAP.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary thereof;

(2) the Net Income of any Restricted Subsidiary (other than a Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its equityholders;

(3) the Net Income of any Person acquired during the specified period for any period prior to the date of such acquisition shall be excluded;

(4) the cumulative effect of a change in accounting principles shall be excluded;

(5) notwithstanding clause (1) above, the Net Income (but not loss) of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the specified Person or one of its Subsidiaries;

(6) (a) unrealized gains and losses due solely to fluctuations in currency values and the related tax effects according to GAAP shall be excluded (until realized, at which time such gains or losses shall be included); and (b) unrealized gains and losses with respect to Hedging Obligations shall be excluded (until realized, at which time such gains or losses shall be included);

(7) any non-cash charge or expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights shall be excluded;

(8) (a)(i) the non-cash portion of “straight-line” rent expense less (ii) the cash portion of “straight-line” rent expense which exceeds the amount expensed in respect of such rent expense shall be excluded and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations shall be excluded (until realized, at which time such gains or losses shall be included);

(9) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) approved by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), (i) expenses with respect to liability or casualty events or business interruption shall be excluded and (ii) amounts received, or estimated in good faith to be received, from insurance in respect of lost earnings in respect of liability or causality events or business interruption shall be included (with a deduction for (x) amounts actually received up to such estimated amount to the extent included in Net Income in a future period and (y) for estimated amounts in excess of amounts actually received in a future period);

(10) any charges resulting from the application of FASB ASC 350, Intangibles—Goodwill and Other, Accounting Standards Codification Topic 360-10-35-15, Impairment or Disposal of Long-Lived Assets,

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Accounting Standards Codification Topic 480-10-25-4, Distinguishing Liabilities from Equity—Overall Recognition, or Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures, the amortization of intangibles arising pursuant to FASB ASC 805, Business Combinations, non-cash interest expense resulting from the application of Accounting Standards Codification Topic 470-20 Debt—Debt with Conversion Options—Recognition, and any non-cash income tax expense that results from the inability to include deferred tax liabilities related to indefinite-lived intangible assets as future reversals of temporary differences under FASB ASC 740-10-30-18, shall be excluded; and

(11) restructuring and related charges and acquisition and related integration charges, including but not limited to, restructuring charges related to the Transactions, shall be excluded.

“Consolidated Total Indebtedness” means, as of any date of determination, an amount equal to the sum (without duplication) of (1) the aggregate principal amount of all outstanding Indebtedness of Spectrum Brands and its Restricted Subsidiaries (excluding any undrawn letters of credit) consisting of bankers’ acceptances, Obligations in respect of Capital Lease Obligations, debt obligations evidenced by promissory notes and similar instruments and Indebtedness for borrowed money, plus (2) the aggregate amount of all outstanding Disqualified Stock of Spectrum Brands and its Restricted Subsidiaries, with the amount of such Disqualified Stock equal to the greater of their respective voluntary or involuntary liquidation preferences, in each case determined on a consolidated basis in accordance with GAAP.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors of Spectrum Brands or Holdings who:

(1) was a member of such Board of Directors on the Issue Date or

(2) was nominated for election or elected to such Board of Directors with the approval of the Permitted Holders or a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

“Contribution Debt” means Indebtedness or Disqualified Stock of Spectrum Brands or any Guarantor in an aggregate principal amount or liquidation preference not greater than twice the aggregate amount of cash received from the issuance and sale of Qualified Equity Interests of Spectrum Brands after the Issue Date; provided that:

(1) such cash has not been used to make a Restricted Payment and shall thereafter be excluded from any calculation under paragraph (A)(3)(b) under “Limitation on Restricted Payments” or used to make any Restricted Payment pursuant to paragraph (B) of such covenant (it being understood that if any such Indebtedness or Disqualified Stock incurred as Contribution Debt is redesignated as incurred under any provision other than paragraph (b)(16) of the “Limitation on Debt” covenant, the related issuance of Equity Interests may be included in any calculation under paragraph (A)(3)(b) in the “Limitation on Restricted Payments” covenant); and

(2) such Contribution Debt (a) is incurred within 180 days after the making of such cash contributions and (b) is so designated as Contribution Debt pursuant to an officer’s certificate on the incurrence date thereof.

“Credit Facilities” means, one or more debt facilities (including, without limitation, the Revolving Credit Agreement and the Term Loan Agreement), or commercial paper facilities with banks or other institutional lenders or investors or indentures or other agreements providing for revolving credit loans, term loans, debt securities (including related exchange notes and guarantees thereof), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit or other long-term indebtedness and, in each case, as such agreements may be amended, amended and restated, supplemented, in any manner whatsoever modified, refinanced, extended, substituted, replaced, renewed, or otherwise restructured or refunded, in whole or in part, in one or more

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instances, from time to time (including any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing and including any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other lenders)), including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities (including Additional Notes)), providing for revolving credit loans, term loans, letters of credit or other debt obligations, whether any such extension, replacement or refinancing (1) occurs simultaneously or not with the termination or repayment of a prior debt facility or (2) occurs on one or more separate occasions.

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

“Designated Non-cash Consideration” means any non-cash consideration received by Spectrum Brands or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated as Designated Non-cash Consideration pursuant to an officer’s certificate executed by an officer of Spectrum Brands or such Restricted Subsidiary at the time of such Asset Sale.

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date that is the earlier date on which the Notes mature and the date the Notes are no longer outstanding, except to the extent such Capital Stock is solely redeemable with, or solely exchangeable for, any Equity Interests of Spectrum Brands that are not Disqualified Stock; provided that if such Capital Stock is issued to any plan for the benefit of employees of Spectrum Brands or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Spectrum Brands or its Subsidiaries in order to satisfy applicable statutory or regulatory obligation; provided, further, that any Capital Stock held by any future, present or former employee, director, officer, manager or consultant (or their estates, spouses or former spouses) of Spectrum Brands, any of its Subsidiaries or any of its direct or indirect parent companies pursuant to any stockholders agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by Spectrum Brands or its Subsidiaries following the termination of employment of such employee, director, officer, manager or consultant with Spectrum Brands or any of its Subsidiaries (so long as, in each case referred to in this sentence, any such requirement is made subject to compliance with the Indenture). Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Spectrum Brands to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that Spectrum Brands may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The term “Disqualified Stock” shall also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, prior to the date that is 91 days after the date on which the Notes mature.

“Domestic Subsidiary” means any Restricted Subsidiary of Spectrum Brands other than a Restricted Subsidiary that is (1) a “controlled foreign corporation” under Section 957 of the Internal Revenue Code or (2) a Subsidiary of any such controlled foreign corporation.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

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“Equity Offering” means a primary offering, after the Issue Date, of Qualified Stock of Spectrum Brands or of Holdings or any direct or indirect parent of Holdings (to the extent the proceeds thereof are contributed to the common equity of Spectrum Brands) other than an issuance registered on Form S-4 or S-8 or any successor thereto or any issuance pursuant to employee benefit plans or otherwise in compensation to officers, directors or employees.

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

“Existing Indebtedness” means the aggregate principal amount of Indebtedness of Spectrum Brands and its Subsidiaries (other than Indebtedness described in clauses (1) and (3) of the covenant described above under the caption “—Certain Covenants—Indebtedness”) in existence on the Issue Date, until such amounts are repaid.

“Existing Notes” means, collectively, (i) Spectrum Brands’ 6.75% Senior Notes due 2020 outstanding on the Issue Date, (ii) Spectrum Brands’ 6.375% Senior Notes due 2020 outstanding on the Issue Date and (iii) Spectrum Brands’ 6.625% Senior Notes due 2022 outstanding on the Issue Date.

“fair market value” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a resolution of the Board of Directors.

“Fixed Charge Coverage Ratio” means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Subsidiaries incurs, assumes, Guarantees, repays, retires, extinguishes, repurchases or redeems any Indebtedness or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “Calculation Date”), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, Guarantee, repayment, retirement, extinguishment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) Investments or acquisitions and dispositions of business entities or property and assets constituting a division or line of business of any Person that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given *pro forma* effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated on a *pro forma* basis, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, shall be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date; and

(4) consolidated interest expense attributable to interest on any Indebtedness (whether existing or being incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in

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effect on the Calculation Date (taking into account any interest rate option, swap, cap or similar agreement applicable to such Indebtedness if such agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Spectrum Brands. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of Spectrum Brands as set forth in an officer's certificate, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable event.

“Fixed Charges” means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made, received or accrued in connection with Hedging Obligations (but excluding unrealized gains or losses with respect thereto), but excluding (i) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (ii) any expensing of bridge, commitment and other financing fees, (iii) any redemption premiums, prepayment fees, or other charges or penalties incurred in connection with the Transactions and (iv) any premiums, fees or other charges incurred in connection with the refinancing of the Existing Indebtedness on the Issue Date (in each case of (i) through (iv), to the extent included in any of the foregoing items listed in clause (1)); *plus*

(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock or preferred stock of such Person or any of its Restricted Subsidiaries, other than (i) dividends on Equity Interests payable solely in Equity Interests of Spectrum Brands (other than Disqualified Stock) or (ii) dividends to Spectrum Brands or a Restricted Subsidiary of Spectrum Brands, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

Notwithstanding the foregoing, any additional charges arising from (i) the application of Accounting Standards Codification Topic 480-10-25-4 “Distinguishing Liabilities from Equity—Overall—Recognition” to any series of preferred stock other than Disqualified Equity Interests or (ii) the application of Accounting Standards Codification Topic 470-20 “Debt—Debt with Conversion Options—Recognition,” in each case, shall be disregarded in the calculation of Consolidated Fixed Charges.

“Foreign Subsidiary” means any Restricted Subsidiary of Spectrum Brands other than a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, the opinions and

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pronouncements of the Public Company Accounting Oversight Board and in the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date.

“Guarantee” means, as to any Person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another Person.

“Guarantors” means:

(1) Holdings and each direct or indirect Domestic Subsidiary of Spectrum Brands on the Issue Date; and

(2) any other subsidiary that executes a Note Guarantee in accordance with the provisions of the Indenture; and their respective successors and assigns until released from their obligations under their Note Guarantees and the Indenture in accordance with the terms of the Indenture.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and other agreements or arrangements designed for the purpose of managing interest rate risk;

(2) commodity swap agreements, commodity option agreements, forward contracts and other agreements or arrangements designed for the purpose of managing commodity price risk; and

(3) foreign exchange contracts, currency swap agreements and other agreements or arrangements designed for the purpose of managing foreign currency exchange rate risk.

“incur” means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become directly or indirectly liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; provided that (1) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of Spectrum Brands will be deemed to be incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of Spectrum Brands and (2) neither the accrual of interest nor the accretion of original issue discount nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) shall be considered an incurrence of Indebtedness; provided that in each case the amount thereof is for all other purposes included in the Fixed Charges and Indebtedness of Spectrum Brands or its Restricted Subsidiary as accrued.

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof), but excluding obligations with respect to letters of credit (including trade letters of credit) securing obligations entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement);

(3) in respect of banker’s acceptances;

(4) in respect of Capital Lease Obligations;

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(5) in respect of the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable;

(6) representing Hedging Obligations, other than Hedging Obligations that are incurred in the ordinary course of business for the purpose of fixing, hedging, swapping, managing interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder; or

(7) representing Disqualified Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends;

if and to the extent that any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP or, in the case of any earn-out obligation or purchase price adjustment, would have been recorded as a liability under GAAP prior to the adoption of Financial Accounting Standards Board Statement No. 141R. In addition, the term "Indebtedness" includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), provided that the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness, and (y) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value shall be determined in good faith by the Board of Directors of the issuer of such Disqualified Stock.

The amount of any Indebtedness outstanding as of any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness;

provided that Indebtedness shall not include:

(i) any liability for federal, state, local or other taxes;

(ii) performance, surety or appeal bonds provided in the ordinary course of business;

(iii) agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of Spectrum Brands or any of its Restricted Subsidiaries pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), so long as the principal amount does not exceed the gross proceeds actually received by Spectrum Brands or any Restricted Subsidiary in connection with such disposition; or

(iv) deferred revenue.

"Investment Grade" means a rating of BBB- or higher by S&P and Baa3 or higher by Moody's, or the equivalent of such ratings by another Rating Agency.

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“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans or other extensions of credit (including Guarantees, but excluding advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of Spectrum Brands or its Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business), advances (excluding commission, travel, payroll and similar advances to officers and employees made consistent with past practices), capital contributions (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

If Spectrum Brands or any Restricted Subsidiary of Spectrum Brands sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of Spectrum Brands such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of Spectrum Brands, Spectrum Brands shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Investment in such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The acquisition by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of a Person that holds an Investment in a third Person shall be deemed to be an Investment by Spectrum Brands or such Restricted Subsidiary in such third Person only if such Investment was made in contemplation of, or in connection with, the acquisition of such Person by Spectrum Brands or such Restricted Subsidiary and the amount of any such Investment shall be determined as provided in the final paragraph of the covenant described above under the caption “—Certain Covenants—Restricted Payments.”

“Issue Date” means December 4, 2014, the date on which Notes were originally issued under the Indenture.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Moody’s” means Moody’s Investors Services, Inc. and its successors.

“Net Income” means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any sale of assets outside the ordinary course of business of such Person; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

“Net Proceeds” means the aggregate cash proceeds, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof) received by Spectrum Brands or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting, brokerage and investment banking fees, and sales commissions, and any relocation expenses incurred as a result thereof, (2) taxes paid or payable as a result thereof, in each case, after taking into account any available tax credits or

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deductions arising therefrom and any tax sharing arrangements in connection therewith, (3) amounts required to be applied to the repayment of Indebtedness or other liabilities, secured by a Lien on the asset or assets that were the subject of such Asset Sale, or required to be paid as a result of such sale, and (4) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

“New Term Loan Commitment Agreement” means the new term loan commitment agreement no. 2 among Holdings, Spectrum Brands, as lead borrower, the lenders party thereto and Deutsche Bank AG New York Branch, as agent, pursuant to which Spectrum Brands will incur term loans in an aggregate principal amount equal to €150 million.

“Note Guarantee” means the Guarantee by each Guarantor of Spectrum Brands’ payment obligations under the Indenture and on the Notes, executed pursuant to the Indenture.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Paying Agent” means an office or agency where Notes may be presented for payment.

“Permitted Business” means any business conducted or proposed to be conducted by Spectrum Brands and its Restricted Subsidiaries on the Issue Date and other businesses complementary, similar or reasonably related, ancillary or incidental thereto or reasonable extensions thereof.

“Permitted Holders” means

(1) each of HRG Group, Inc., Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd;

(2) any Affiliate or Related Party of any Person specified in clause (1), other than another portfolio company thereof (which means a company actively engaged in providing goods and services to unaffiliated customers) or a company controlled by a “portfolio company”;

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 50% or more by Persons specified in clauses (1) and (2) or any group in which the Persons specified in clauses (1) and (2) own more than a majority of the voting power of the Voting Stock held by such group.

“Permitted Investments” means:

(1) any Investment in Spectrum Brands or in a Restricted Subsidiary of Spectrum Brands;

(2) any Investment in Cash Equivalents;

(3) any Investment by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of Spectrum Brands; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Spectrum Brands or a Restricted Subsidiary of Spectrum Brands;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale (including Designated Non-Cash Consideration) that was made pursuant to and in compliance with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales”;

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(5) Hedging Obligations that are incurred in the ordinary course of business for the purpose of managing interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) stock, obligations or securities received in satisfaction of judgments;

(7) Investments in securities of trade debtors or customers received (x) pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or in good faith settlement of delinquent obligations of such trade debtors or customers or in compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates, (y) as a result of the foreclosure by Spectrum Brands or any Restricted Subsidiaries with respect to any secured Investment or other transfer of title, or (z) as a result of litigation, or other disputes with Persons who are not Affiliates;

(8) other Investments in any Person engaged in a Permitted Business having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (8) since the Issue Date, not to exceed the greater of (x) \$150.0 million and (y) 20% of Consolidated Cash Flow, in each case, net of any return of or on such Investment received by Spectrum Brands or a Restricted Subsidiary;

(9) Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment, or the licensing or contribution of intellectual property pursuant to joint marketing, joint development or similar arrangements with other Persons;

(10) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business;

(11) Investments in prepaid expenses, negotiable instruments held for collection and lease and utility and worker's compensation deposits provided to third parties in the ordinary course of business; and

(12) Investments (other than in Restricted Subsidiaries) outstanding on the Issue Date or made pursuant to binding agreements in effect on the Issue Date, including any extension, modification or renewal of such Investments, to the extent not involving any additional Investment other than as the result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities;

(13) advances and loans to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of Spectrum Brands or any direct or indirect parent of Spectrum Brands;

(14) Investments in joint ventures having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause that are at the time outstanding, not to exceed \$75.0 million at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided that if any Investment pursuant to this clause (14) is made in any Person that is not Spectrum Brands or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes Spectrum Brands or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (14) for so long as such Person continues to be Spectrum Brands or a Restricted Subsidiary; and

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(15) Investments in Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause that are at the time outstanding, not to exceed \$75.0 million at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

“Permitted Liens” means:

(1) Liens securing Indebtedness incurred and then outstanding pursuant to clause (1) of the second paragraph of “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock” and other Obligations in respect thereof;

(2) Liens in favor of Spectrum Brands or any Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with Spectrum Brands or any Restricted Subsidiary of Spectrum Brands; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with Spectrum Brands or the Restricted Subsidiary;

(4) Liens on property existing at the time of acquisition thereof by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands, provided that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by Spectrum Brands or the Restricted Subsidiary;

(5) Liens existing on the Issue Date not otherwise permitted hereby;

(6) Liens securing Permitted Refinancing Indebtedness (other than in respect of Indebtedness referred to in clause (1)); provided that such Liens do not extend to any property or assets other than the property or assets that secure the Indebtedness being refinanced;

(7) Liens incurred in the ordinary course of business of Spectrum Brands or any Restricted Subsidiary of Spectrum Brands with respect to obligations that do not exceed the greater of \$150 million or 20% of Consolidated Cash Flow;

(8) Liens on the assets of a Foreign Subsidiary securing Indebtedness of a Foreign Subsidiary that was permitted by the terms of the Indenture to be incurred;

(9) pledges or deposits under worker’s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts or leases, or to secure public or statutory obligations, surety bonds, customs duties and the like, or for the payment of rent, in each case incurred in the ordinary course of business and not securing Indebtedness;

(10) Liens imposed by law, such as carriers’, vendors’, warehousemen’s and mechanics’ liens or other similar liens, in each case for sums not yet due or being contested in good faith and by appropriate proceedings;

(11) Liens in respect of taxes and other governmental assessments and charges which are not yet due or which are being contested in good faith and by appropriate proceedings;

(12) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof;

(13) (x) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning

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or other restrictions as to the use of real property, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or the ownership of its properties, not interfering in any material respect with the conduct of the business of Spectrum Brands and its Restricted Subsidiaries or (y) any zoning or similar law or right reserved to or vested in any governmental authority to control or regulate the use of any real property;

(14) licenses or leases or sublicenses or subleases as licensor, lessor, sublicensor or sublessor of any of its property, including intellectual property, in the ordinary course of business;

(15) customary Liens in favor of trustees and escrow agents, and netting and setoff rights, banker's liens and the like in favor of financial institutions and counterparties to financial obligations and instruments, including Hedging Agreements;

(16) Liens on assets pursuant to merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets;

(17) options, put and call arrangements, rights of first refusal and similar rights relating to Investments in joint ventures, partnerships and the like;

(18) judgment liens, and Liens securing appeal bonds or letters of credit issued in support of or in lieu of appeal bonds, so long as no Event of Default then exists as a result thereof;

(19) Liens incurred in the ordinary course of business not securing Indebtedness and not in the aggregate materially detracting from the value of the properties or their use in the operation of the business of Spectrum Brands and its Restricted Subsidiaries;

(20) Liens (including the interest of a lessor under a Capital Lease) on property that secure Indebtedness incurred under clause (4) of Permitted Debt for the purpose of financing all or any part of the purchase price or cost of construction or improvement of such property and which attach within 365 days after the date of such purchase or the completion of construction or improvement;

(21) deposits in the ordinary course of business to secure liability to insurance carriers;

(22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(23) Liens consisting of contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Spectrum Brands or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Spectrum Brands and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of Spectrum Brands or any of its Restricted Subsidiaries in the ordinary course of business;

(24) Liens arising from financing statements filings under the Uniform Commercial Code or similar state laws regarding operating leases entered into by Spectrum Brands and its Restricted Subsidiaries in the ordinary course of business;

(25) Liens securing Cash Management Obligations and all Obligations under the Hedging Agreements owed to Persons that were agents and the lenders under the Revolving Credit Agreement or their affiliates at the time of entry into the agreements governing such obligations;

(26) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by Spectrum Brands and its subsidiaries in the ordinary course of business; and

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(27) Liens created for the benefit of the Notes or the Note Guarantees with respect thereto.

“Permitted Refinancing Indebtedness” means any Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest thereon and the amount of any reasonably determined premium necessary to accomplish such refinancing (including tender premiums) and such reasonable expenses, defeasance costs and fees incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes or such Note Guarantees on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) in no event may Indebtedness of Spectrum Brands or any Guarantor be refinanced by means of Indebtedness of a Restricted Subsidiary that is not a Guarantor.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“preferred stock” means, with respect to any Person, any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemption upon liquidation.

“Qualified Equity Interests” means all Equity Interests of a person other than Disqualified Stock.

“Rating Agencies” means S&P and Moody’s; provided that if either S&P or Moody’s (or both) shall cease issuing a rating on the Notes for reasons outside the control of Spectrum Brands, Spectrum Brands may select a nationally recognized statistical rating agency to substitute for S&P or Moody’s (or both).

“Registrar” means an office or agency where Notes may be presented for registration of transfer or for exchange.

“Replacement Assets” means (1) non-current assets (other than securities of any Person) that will be used or useful in a Permitted Business or (2) all or substantially all of the assets of a Permitted Business or Voting Stock of any Person engaged in a Permitted Business that will become on the date of acquisition thereof a Restricted Subsidiary.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary. Unless the context otherwise requires, “Restricted Subsidiary” refers to a Restricted Subsidiary of Spectrum Brands.

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“Revolving Credit Agreement” means the revolving credit agreement dated June 16, 2010 among Spectrum Brands, the lenders party thereto and Bank of America NA, as agent, together with any related documents (including any security documents and guarantees) as such agreement, in whole or in part, in one or more instances, may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing and including any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other institutional lenders)), including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities (including Additional Notes)), providing for revolving credit loans, term loans, letters of credit or other debt obligations, whether any such extension, replacement or refinancing (1) occurs simultaneously or not with the termination or repayment of a prior credit agreement or (2) occurs on one or more separate occasions.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc. and its successors.

“Secured Leverage Ratio” means, on any date of determination (the “transaction date”), the ratio of (x) the aggregate amount of all Consolidated Total Indebtedness secured (or deemed secured pursuant to clause (1)(y) of the second paragraph of the covenant described under “—Certain Covenants— Incurrence of Indebtedness and issuance of Preferred Stock”) by a Lien on an any asset of Spectrum Brands or any of its Restricted Subsidiaries (other than liens described in clauses (2), (8), (25) and (27) of the definition of “Permitted Liens”) of Spectrum Brands and its Restricted Subsidiaries, determined on a consolidated basis (with any Indebtedness incurred pursuant to clause (1)(y) of the second paragraph of the covenant described under “—Certain Covenants —Incurrence of Indebtedness and issuance of Preferred Stock” deemed to be secured Indebtedness for this purpose in connection with any measurement of the Secured Leverage Ratio pursuant to such clause) *minus* the aggregate amount of unrestricted cash and Cash Equivalents owned by Spectrum Brands and its Restricted Subsidiaries on a consolidated basis to (y) the aggregate amount of Consolidated Cash Flow of Spectrum Brands and its Restricted Subsidiaries for the four fiscal quarters immediately prior to the transaction date for which internal financial statements are available in each case with such pro forma adjustments to Indebtedness and Consolidated Cash Flow as are consistent with the pro forma adjustment provisions of the Fixed Charges Coverage Ratio.

“Significant Subsidiary” means any Subsidiary that would constitute a “significant subsidiary” within the meaning of Article 1 of Regulation S-X of the Securities Act.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subsidiary” means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence 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 such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

“Term Loan Agreement” means the term loan credit agreement dated as of December 17, 2012, as amended pursuant to amendment no. 1 to credit agreement dated as of August 13, 2013, as further amended pursuant to

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new term loan commitment agreement no. 1 dated as of August 13, 2013 and effective as of September 4, 2013, as amended and restated pursuant to the restatement agreement dated as of December 18, 2013, as amended pursuant to amendment no. 2 to credit agreement dated as of January 31, 2014 and as further amended pursuant to the New Term Loan Commitment Agreement among Holdings, Spectrum Brands, as lead borrower, Spectrum Brands Canada, Inc. as Canadian borrower, Spectrum Brands Europe GmbH, as German borrower, the lenders party thereto and Deutsche Bank AG New York Branch, as agent, together with any related documents, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case as such term loan credit agreement, in whole or in part, in one or more instances, may be further amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing and including any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other institutional lenders)), including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities (including Additional Notes) to institutional investors), providing for revolving credit loans, term loans, letters of credit or other debt obligations, whether any such extension, replacement or refinancing (1) occurs simultaneously or not with the termination or repayment of a prior term loan credit agreement or (2) occurs on one or more separate occasions.

“Transaction Expenses” means fees and expenses payable or otherwise borne by Spectrum Brands and its Restricted Subsidiaries in connection with the Transactions, including the costs of legal and financial advisors to Spectrum Brands and the lenders under the New Term Loan Commitment Agreement.

“Transactions” means, collectively, (a) the execution, delivery and performance by Spectrum Brands and the other parties thereto of the New Term Loan Commitment Agreement and the making of the borrowings thereunder, (b) the issuance of the Notes and (c) the consummation of the acquisition and any other transactions described under “Summary—Recent Developments—Pet Care Europe Acquisition” and “Summary—Recent Developments—Tell Acquisition.”

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to December 15, 2019; provided, however, that if the period from the redemption date to December 15, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Trustee” means the party named as such in the preamble to the Indenture until a successor replaces it in accordance with the Indenture and thereafter means the successor serving hereunder.

“Trust Indenture Act” means the Trust Indenture Act of 1939, as amended.

“Unrestricted Subsidiary” means any Subsidiary of Spectrum Brands that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors in compliance with the covenant described under the caption “—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries,” and any Subsidiary of such Subsidiary.

“Voting Stock” of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

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“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

“Wholly Owned” means, with respect to any Restricted Subsidiary, a Restricted Subsidiary all of the outstanding Capital Stock of which (other than any director’s qualifying shares) is owned by Spectrum Brands and one or more Wholly Owned Restricted Subsidiaries (or a combination thereof).

DESCRIPTION OF 2025 NOTES

In this Description of 2025 Notes, (i) “Spectrum Brands” refers only to Spectrum Brands, Inc. and any successor obligor on the Notes (as defined below), and not to any of its subsidiaries, affiliates or direct or indirect parent companies and (ii) the terms “we,” “our” and “us” refer to Spectrum Brands and the Guarantors. You can find the definitions of certain terms used in this description of notes under “—Certain Definitions.”

Spectrum Brands will issue up to \$1,000.0 million aggregate principal amount of 5.750% Senior Notes (the “Exchange Notes”) offered hereby under the indenture dated May 20, 2015 among Spectrum Brands, the guarantors named therein and U.S. Bank National Association, as Trustee, as supplemented by the supplemental indenture dated as of June 23, 2015 (as so supplemented, the “Indenture”), in exchange for a like aggregate principal amount of 5.750% Senior Notes (the “Initial Notes” and, together with the Exchange Notes, the “Notes”). The Exchange Notes that we will issue you in exchange for your existing notes will be substantially identical to your existing notes except that, unlike your existing notes, the Exchange Notes will have no transfer restrictions or registration rights.

The terms of the Exchange Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended.

The following is a summary of the material provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you. You should read the Indenture in its entirety because it, and not this description, defines your rights as holders of the Notes. Copies of the Indenture are available at the address described under “Where You Can Find More Information.”

Basic Terms of Notes

The Notes will:

- be general unsecured obligations of Spectrum Brands, ranking equally in right of payment with all existing and future unsecured senior Indebtedness of Spectrum Brands, including the Initial Notes and Existing Notes;
- be guaranteed by Spectrum Brands’ direct parent, SB/RH Holdings, LLC (“Holdings”), and each of Spectrum Brands’ existing and future Domestic Subsidiaries, which guaranty in each case shall be a senior unsecured obligation of such Guarantor, ranking equally in right of payment with all existing and future senior Indebtedness of such Guarantor;
- rank senior in right of payment to all of Spectrum Brands’ and the Guarantors’ existing and future Indebtedness that expressly provides for its subordination to the Notes and the Note Guarantees;
- be effectively subordinated to any secured Indebtedness of Spectrum Brands, including all Indebtedness under the Term Loan Agreement and the Revolving Credit Agreement, to the extent of the value of the assets securing such Indebtedness; and
- be structurally subordinated to all Indebtedness and other liabilities of Spectrum Brands’ subsidiaries that do not guarantee the Notes.

Principal, Maturity and Interest

The Notes will mature on July 15, 2025. Spectrum Brands will pay interest on the Notes semi-annually in arrears on July 15 and January 15 of each year to holders of record on the immediately preceding July 1 and January 1. Interest on the Notes will accrue from the most recent date to which interest has been paid (including, with respect to Exchange Notes, interest paid on the Initial Notes surrendered for such Exchange Notes) or, if no interest has been paid, from the Issue Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

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Spectrum Brands will pay interest on overdue principal of the Notes at a rate equal to 1.0% per annum in excess of 5.750% per annum and will pay interest on overdue installments of interest at such higher rate, in each case to the extent lawful.

Additional Notes

Subject to the covenants described below, Spectrum Brands may issue additional Notes (“Additional Notes”) under the Indenture in an unlimited aggregate principal amount, having the same terms in all respects as the Notes, or in all respects except with respect to issue price and interest accrued on or prior to the issue date thereof.

To the extent required by applicable tax regulations, if Additional Notes are not fungible with other Notes for U.S. federal income tax purposes, the Additional Notes will trade under a separate CUSIP number and will be treated as a separate class for purposes of transfer and exchange. Nevertheless, the Notes offered hereby and any Additional Notes may, at our election, be treated as a single class for all purposes under the Indenture and vote together as one class on all matters with respect to the Notes.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to Spectrum Brands at least ten Business Days prior to the applicable payment or redemption date, Spectrum Brands will pay all principal, interest and premium, if any, on that Holder’s Notes in accordance with those instructions. All other payments on Notes will be made at the office or agency of the Paying Agent and Registrar unless Spectrum Brands elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The Trustee is acting as Paying Agent and Registrar. Under the Indenture, Spectrum Brands reserves the right to change the Paying Agent or Registrar without prior notice to the Holders, and Spectrum Brands or any of its Subsidiaries may act as Paying Agent or Registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and Spectrum Brands may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. Spectrum Brands is not required to transfer or exchange any Note selected for redemption. Also, Spectrum Brands is not required to transfer or exchange any Note for a period of 15 days before a selection of the Notes to be redeemed.

The registered Holder of a Note will be treated as the owner of such Note for all purposes.

Note Guarantees

Spectrum Brands’ obligations under the Notes and the Indenture will be guaranteed, jointly and severally, on a senior unsecured basis, by Holdings and all of the Domestic Subsidiaries of Spectrum Brands. Each Note Guarantee will:

- be a general, unsecured obligation of the Guarantor;
- rank equally in right of payment with all existing and future unsecured senior Indebtedness of the Guarantor, including the guaranty of the Existing Notes;
- rank senior in right of payment to all existing and any future subordinated Indebtedness of the Guarantor;

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- be effectively subordinated to any secured Indebtedness of the Guarantor, including all Indebtedness of each Guarantor under the Term Loan Agreement and the Revolving Credit Agreement, to the extent of the value of the assets securing such Indebtedness; and
- be structurally subordinated to all Indebtedness and other liabilities of any of Spectrum Brands' subsidiaries that do not guarantee the Notes.

The Indenture will provide that the obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. If Spectrum Brands or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary on or after the Issue Date, then that newly acquired or created Domestic Subsidiary must promptly become a Guarantor, execute a supplemental indenture and deliver an opinion of counsel to the Trustee.

None of Spectrum Brands' Foreign Subsidiaries will guarantee the Notes. Spectrum Brands' Subsidiaries that will not be guaranteeing the Notes had, as of June 28, 2015, approximately 20% of our total liabilities and generated 55% of Spectrum Brands' revenue for the nine-month period ended June 28, 2015. See "Risk Factors—Risks Related to the Notes—The notes will be effectively subordinated to all liabilities of and claims of creditors of all of our foreign subsidiaries." Under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Spectrum Brands' Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture and will not guarantee the Notes.

Optional Redemption

At any time prior to July 15, 2020, Spectrum Brands may redeem the Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the applicable redemption date.

At any time on or after July 15, 2020, Spectrum Brands may redeem all or a part of the Notes, from time to time, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, to the applicable redemption date, in cash, if redeemed during the twelve-month period beginning on July 15 in the years indicated below:

<u>Year</u>	<u>Percentage</u>
2020	102.875%
2021	101.917%
2022	100.958%
2023 and thereafter	100.000%

At any time and from time to time prior to July 15, 2018, Spectrum Brands may redeem the Notes with an amount of cash equal to the net cash proceeds received by Spectrum Brands from one or more Equity Offerings at a redemption price equal to 105.750% of the principal amount plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 35% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes), provided that

(1) in each case the redemption takes place not later than 90 days after the closing of the related Equity Offering, and

(2) not less than 65% of the aggregate principal amount of the Notes (calculated after giving effect to any issuance of Additional Notes) issued under the Indenture remains outstanding immediately thereafter.

Notice of any redemption upon any Equity Offering may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at Spectrum Brands' discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

- (1) if the Notes are listed, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or
- (2) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate.

No Notes of less than \$2,000 shall be redeemed in part. Notices of redemption shall be mailed by first class mail, or delivered electronically if held by DTC, at least 30 but not more than 60 days before the redemption date to each Holder of the Notes to be redeemed at its registered address, except that redemption notices may be delivered more than 60 days prior to the redemption date if the notice is issued in connection with the defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. The Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on the Notes or portions of them called for redemption.

Mandatory Redemption; Open Market Purchases and Other Purchases

Spectrum Brands is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

From time to time, Spectrum Brands, its Restricted Subsidiaries, its direct or indirect parents or its Affiliates may acquire the Notes through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as Spectrum Brands, its Restricted Subsidiaries, its direct or indirect parents or its Affiliates (as applicable) may determine (or as may be provided for in the Indenture), which may be more or less than the consideration for which the Notes are being sold and may be less than the redemption price in effect and could be for cash or other consideration, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture. There can be no assurance as to which, if any, of these alternatives or combinations thereof Spectrum Brands, its Restricted Subsidiaries, its direct or indirect parents or its Affiliates may choose to pursue in the future.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each Holder of Notes will have the right to require Spectrum Brands to repurchase all or any part (equal to \$2,000 or a higher multiple of \$1,000) of that Holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, Spectrum Brands will offer a payment (such payment, a "Change of Control Payment") in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest thereon, to the date of purchase. Within 30 days following any Change of Control, Spectrum Brands will mail, or deliver electronically if held by DTC, a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in such notice (the "Change of Control Payment Date"), which date shall be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. Spectrum Brands will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to

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the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, Spectrum Brands will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On or before the Change of Control Payment Date, Spectrum Brands will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an officer's certificate stating the aggregate principal amount of Notes or portions thereof being purchased by Spectrum Brands.

The Paying Agent will promptly mail or wire transfer to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that such new Note will be in a principal amount of \$2,000 or a higher integral multiple of \$1,000.

Spectrum Brands' senior credit facilities provide that certain change of control events with respect to Spectrum Brands would constitute a default under these agreements. Any future credit agreements or other agreements to which Spectrum Brands becomes a party may contain similar provisions. Spectrum Brands' ability to pay cash to the Noteholders following the occurrence of a Change of Control may be limited by Spectrum Brands' then existing financial resources. Moreover, the exercise by the Noteholders of their right to require Spectrum Brands to purchase the Notes could cause a default under other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on Spectrum Brands. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors—Risks Related to the Notes—We may not be able to make the change of control offer required by the indenture."

Spectrum Brands will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by Spectrum Brands and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such notes in a Change of Control Offer and Spectrum Brands, or any third party making a Change of Control Offer in lieu of Spectrum Brands as described above, purchases all of the Notes validly tendered and not withdrawn by such holders, Spectrum Brands or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to but excluding the date of redemption.

Notes repurchased by Spectrum Brands pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of Spectrum Brands. Notes purchased by a third party pursuant to the preceding paragraphs will have the status of Notes issued and outstanding.

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A Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control or other events, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The provisions under the Indenture relative to Spectrum Brand's obligation to make a Change of Control Offer may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes then outstanding.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of Spectrum Brands and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of the Notes to require Spectrum Brands to repurchase such Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Spectrum Brands and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Under a Delaware Chancery Court interpretation of a change of control repurchase requirement with a continuing director provision, a board of directors may approve a slate of shareholder-nominated directors without endorsing them or while simultaneously recommending and endorsing its own slate instead. The foregoing interpretation would permit Spectrum Brands' board of directors to approve a slate of directors that included a majority of dissident directors nominated pursuant to a proxy contest, and the ultimate election of such directors would not constitute a "Change of Control" under the Indenture that would trigger the rights of a holder of Notes to require a repurchase of the Notes pursuant to this covenant.

Suspension of Certain Covenants

If at any time after the Issue Date that (i) the Notes are rated Investment Grade by each of S&P and Moody's (or, if either (or both) of S&P and Moody's have been substituted in accordance with the definition of "Rating Agencies," by each of the then applicable Rating Agencies) and (ii) no Default has occurred and is continuing under the Indenture, Spectrum Brands and its Restricted Subsidiaries will not be subject to the covenants in the Indenture specifically listed under the following captions in this "Description of 2025 Notes" section of this prospectus (the "Suspended Covenants"):

- (1) "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";
- (2) "—Certain Covenants—Restricted Payments";
- (3) "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";
- (4) "—Certain Covenants—Transactions with Affiliates";
- (5) "—Certain Covenants—Asset Sales"; and
- (6) clause (3) under "—Certain Covenants—Merger, Consolidation or Sale of Assets."

Additionally, during such time as the above referenced covenants are suspended (a "Suspension Period"), Spectrum Brands will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

In the event that Spectrum Brands and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the condition set forth in clause (i) of the first paragraph of this section is no longer satisfied, then Spectrum Brands and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenant with respect to future events.

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On each Reversion Date, all Debt incurred during the Suspension Period prior to such Reversion Date will be deemed to be Debt incurred pursuant to clause (b)(2) under “—Incurrence of Indebtedness and Issuance of Preferred Stock.” For purposes of calculating the amount available to be made as Restricted Payments under clause (3) of clause (A) of “—Restricted Payments,” calculations under such covenant shall be made as though such covenant had been in effect since the Issue Date and prior, but not during, the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under the first paragraph of “Restricted Payments.” For purposes of the “Asset Sales” covenant, on the Reversion Date, the amount of unutilized Excess Proceeds will be reset to zero. Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default shall be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during a Suspension Period (or on the Reversion Date after a Suspension Period based solely on events that occurred during the Suspension Period).

There can be no assurance that the Notes will ever achieve or maintain a rating of Investment Grade from the Rating Agencies.

Certain Covenants

Restricted Payments

(A) Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Spectrum Brands’ or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Spectrum Brands or any of its Restricted Subsidiaries) or to the direct or indirect holders of Spectrum Brands’ or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such (other than (A) dividends, payments or distributions payable in Equity Interests (other than Disqualified Stock) of Spectrum Brands or to Spectrum Brands or a Restricted Subsidiary of Spectrum Brands; and (B) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividends, payments or distributions payable on or in respect of any class or series of securities issued by a Restricted Subsidiary that is not Wholly Owned, Spectrum Brands or a Restricted Subsidiary receives at least its pro rata share of such dividends, payments or distributions in accordance with its Equity Interests in such class or series of securities);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Spectrum Brands) any Equity Interests of Spectrum Brands or any direct or indirect parent of Spectrum Brands, including Holdings;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is contractually subordinated in right of payment to the Notes or the Note Guarantees, except (a) payments of interest on or after Stated Maturity thereof, (b) payments, purchases, redemptions, defeasances or other acquisitions or retirements for value of principal on or after the date that is one year prior to the Stated Maturity thereof or (c) payments on Indebtedness permitted to be incurred pursuant to clause (6) of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock,” or

(4) make any Restricted Investment.

(All such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as “Restricted Payments”), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

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(2) Spectrum Brands would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock”; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Spectrum Brands and its Restricted Subsidiaries after December 4, 2014 (excluding Restricted Payments permitted by clauses (2), (3), (4) (to the extent such dividends are paid to Spectrum Brands or any of its Restricted Subsidiaries) and (5), (6), (8), (9)(i), (ii) or (iv), (10), (11), (12) and (13) of the next succeeding paragraph (B)), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of Spectrum Brands for the period (taken as one accounting period) from October 1, 2014 to the end of Spectrum Brands’ most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

(b) 100% of the aggregate net cash proceeds (and fair market value of marketable securities or other property) received by Spectrum Brands after December 4, 2014 as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of Spectrum Brands or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Spectrum Brands that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of Spectrum Brands); plus

(c) with respect to Restricted Investments made by Spectrum Brands and its Restricted Subsidiaries after December 4, 2014, an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) in any Person resulting from repayments of loans or advances, or other transfers of assets, in each case to Spectrum Brands or any Restricted Subsidiary or from the net cash proceeds from the sale of any such Investment (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) from the release of any Guarantee (except to the extent any amounts are paid under such Guarantee) or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments previously made by Spectrum Brands or any Restricted Subsidiary in such Person or Unrestricted Subsidiary; plus

(d) \$350.0 million.

(B) So long as, in the case of clauses (7), (8) and (15), no Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend or distribution or consummation of a redemption within 60 days after the date of declaration thereof or the giving of the redemption notice, as applicable, if at said date of declaration or notice such payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of Spectrum Brands or any Guarantor or of any Equity Interests (including Disqualified Stock) of Spectrum Brands or any Restricted Subsidiary in exchange for, or out of the net cash proceeds of a contribution to the common equity of Spectrum Brands or sale (other than to a Subsidiary of Spectrum Brands) of, Equity Interests of Spectrum Brands or any direct or indirect parent of Spectrum Brands (other than Disqualified Stock) contributed to the equity of Spectrum Brands, in each case, within 60 days of such redemption, repurchase, retirement, defeasance or other acquisition; provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (3)(b) of the preceding paragraph (A);

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(3) the defeasance, repayment, redemption, repurchase or other acquisition of subordinated Indebtedness of Spectrum Brands or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend or distribution by a Restricted Subsidiary of Spectrum Brands to the holders of its common Equity Interests on a pro rata basis;

(5) Investments acquired as a capital contribution to, or in exchange for, or out of the net cash proceeds of an offering of, Equity Interests (other than Disqualified Stock) of Spectrum Brands or other contributions to the common equity capital of Spectrum Brands, in each case within 60 days of the acquisition of such Investment; provided that the amount of any such net cash proceeds that are utilized for any such acquisition or exchange shall be excluded from clause (3)(b) of the preceding paragraph (A);

(6) the repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or other convertible or exchangeable securities or the vesting of restricted stock, restricted stock units or similar instruments if such Capital Stock represents fractional shares or all or a portion of the exercise price thereof or withholding taxes payable in connection with the exercise thereof;

(7) the repurchase, redemption or other acquisition or retirement for value of (or payments to Holdings to fund any such repurchase, redemption or other acquisition of value) any Equity Interests of Holdings (or any direct or indirect parent of Holdings) or Spectrum Brands held by any employee, former employee, director or former director of Spectrum Brands (or any of its Restricted Subsidiaries) or Holdings (or any direct or indirect parent of Holdings) or any permitted transferee of any of the foregoing pursuant to the terms of any employee equity subscription agreement, stock option agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any fiscal year, and any payment by Spectrum Brands to Holdings to enable Holdings (or any direct or indirect parent of Holdings) to make such payments, shall not exceed the sum of (x) \$5.0 million and (y) the amount of Restricted Payments permitted but not made pursuant to this clause (7) in prior fiscal years; provided that no more than \$10.0 million may be carried forward in any fiscal year; provided, further, however, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by Spectrum Brands or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of Spectrum Brands or any direct or indirect parent of Spectrum Brands (to the extent contributed to Spectrum Brands) to members of management, directors, employees or consultants of Spectrum Brands, its Restricted Subsidiaries or any direct or indirect parent of Spectrum Brands that occurs after December 4, 2014 (provided that the amount of cash proceeds utilized for any such repurchase, redemption or other acquisition or dividend will not increase the amount available for Restricted Payments under clause (3)(b) of the preceding paragraph (A)); plus

(b) the cash proceeds of key man life insurance policies received by Spectrum Brands or any direct or indirect parent of Spectrum Brands (to the extent contributed to Spectrum Brands) or the Restricted Subsidiaries after December 4, 2014;

provided that cancellation of Indebtedness owing to Spectrum Brands or any Restricted Subsidiary from any present or former employees, directors, officers or consultants of Spectrum Brands, any Restricted Subsidiary or the direct or indirect parents of Spectrum Brands in connection with a repurchase of Equity Interests of Spectrum Brands or any of its direct or indirect parents will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(8) the payment, repurchase, redemption, defeasance or other acquisition or retirement for value of any subordinated Indebtedness required in accordance with provisions applicable thereto similar to those described under the "Asset Sales" and "Change of Control" covenants; provided that all Notes tendered by Holders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

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(9) payments made to Holdings (i) to allow Holdings (or any direct or indirect parent of Holdings) to pay administrative expenses and corporate overhead, franchise fees, public company costs (including SEC and auditing fees) and customary director fees in an aggregate amount not to exceed \$5.0 million in any calendar year; (ii) to allow Holdings to pay premiums and deductibles in respect of directors and officers insurance policies and umbrella excess insurance policies obtained from third-party insurers and indemnities for the benefit of its directors, officers and employees; (iii) to allow Holdings or such other parent of Spectrum Brands to pay reasonable fees and expenses incurred in connection with any unsuccessful debt or equity offering or any unsuccessful acquisition or strategic transaction by such direct or indirect parent company of Spectrum Brands; and (iv) to allow Holdings (or any direct or indirect parent of Holdings) to pay income taxes attributable to Spectrum Brands and its Subsidiaries in an amount not to exceed the amount of such taxes that would be payable by Spectrum Brands and its Subsidiaries on a stand-alone basis (if Spectrum Brands were a corporation and parent of a consolidated group including its Subsidiaries); provided that any payments pursuant to this clause (iv) in any period not otherwise deducted in calculating Consolidated Net Income shall be deducted in calculating Consolidated Net Income for such period (and shall be deemed to be a provision for taxes for purposes of calculating Consolidated Cash Flow for such period);

(10) Restricted Payments not otherwise permitted hereby in an aggregate amount not to exceed the greater of 17.5% of Consolidated Cash Flow and \$175.0 million;

(11) (A) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Spectrum Brands or any Restricted Subsidiary or preferred stock of any Restricted Subsidiary issued in accordance with the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock” to the extent such dividends are included in the definition of Fixed Charges and payment of any redemption price or liquidation value of any such Disqualified Stock or preferred stock when due at final maturity in accordance with its terms and (B) the declaration and payment of dividends to a direct or indirect parent company of Spectrum Brands, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of preferred stock (other than Disqualified Stock) of such parent company issued after December 4, 2014; provided that (i) the aggregate amount of dividends paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to Spectrum Brands from the sale of such preferred stock and (ii) the amount of cash used to make any payments pursuant to this clause (B) shall be excluded from calculations pursuant to clause (3) of the first paragraph above and shall not be used for the purpose of any other Restricted Payment;

(12) (a) any Restricted Payments used to fund the Transactions and the fees and expenses related thereto, including those owed to Affiliates and (b) any Restricted Payments used to fund the Prior Transactions and the fees and expenses related thereto, including those owed to Affiliates;

(13) any “deemed dividend” resulting under the tax laws from, or in connection with, the filing of a consolidated or combined tax return by Holdings or any direct or indirect parent of Spectrum Brands (and not involving any cash distribution from Spectrum Brands or any Restricted Subsidiary except as permitted by clause (9)(iv) above);

(14) the payment of dividends to Holdings to fund a payment of dividends on Holdings’ common stock (or the common stock of any direct or indirect parent of Holdings) of up to 6% per annum of the net cash proceeds received by or contributed to Spectrum Brands as a contribution to equity in or from any public offering of common stock of Holdings (or the common stock of any direct or indirect parent of Holdings) other than public offerings registered on Form S-4 or Form S-8 (or their successor or equivalent forms); and

(15) any Restricted Payment if, at the time of making of such payment and after giving effect thereto (including the incurrence of any Indebtedness to finance such payments), the Consolidated Total Debt Ratio shall be no greater than 4.0 to 1.0.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued to or by Spectrum Brands or

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such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities in excess of \$10.0 million that are required to be valued by this covenant shall be determined by the Board of Directors.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (15) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, Spectrum Brands will be entitled to divide, classify or re-classify (based on circumstances existing on the date of such reclassification) such restricted payment or portion thereof in any manner that complies with this covenant and such Restricted Payment will be treated as having been made pursuant to only such clause or clauses or the first paragraph of this covenant.

Incurrence of Indebtedness and Issuance of Preferred Stock

(a) Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Debt), and Spectrum Brands will not permit any of its Restricted Subsidiaries to issue any preferred stock; provided that Spectrum Brands or any Restricted Subsidiaries may incur Indebtedness, if the Fixed Charge Coverage Ratio for Spectrum Brands' most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred would have been at least 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred at the beginning of such four-quarter period; provided, further, that any Restricted Subsidiary that is not a Guarantor may not incur Indebtedness or issue shares of Disqualified Stock or Preferred Stock in a principal amount (or accreted value, as applicable) that, when aggregated with the principal amount (or accreted value, as applicable) of all Indebtedness then outstanding and incurred by such non-Guarantor Restricted Subsidiaries under this clause (a), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any such Indebtedness, exceeds the greater of \$500 million and 50% of the Consolidated Cash Flows of Spectrum Brands for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is incurred and after giving pro forma effect thereto (including a pro forma application of the net proceeds therefrom) as if such indebtedness had been incurred at the beginning of such four fiscal quarters.

(b) Paragraph (a) of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by Spectrum Brands or any Restricted Subsidiaries of Indebtedness (including Indebtedness under the Revolving Credit Agreement and the Term Loan Agreement) under Credit Facilities (and the incurrence of Guarantees thereof) in an aggregate principal amount at any one time outstanding pursuant to this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of Spectrum Brands and its Restricted Subsidiaries thereunder) not to exceed the sum of (A) the greater of \$1,000 million and the Borrowing Base; and (B) the greater of (x) \$2,800 million and (y) an amount such that, on a pro forma basis after giving effect to the incurrence of such Indebtedness (and application of the net proceeds therefrom), the Secured Leverage Ratio would be no greater than 3.25 to 1.0 (provided that all Indebtedness incurred under clause (B)(y), whether or not secured, shall be included when calculating the Secured Leverage Ratio for purposes of this clause (B)(y)); less the aggregate amount of all Net Proceeds of Asset Sales applied by Spectrum Brands or any Restricted Subsidiary to permanently repay any such Indebtedness (and, in the case of any revolving credit Indebtedness, to effect a corresponding commitment reduction thereunder) pursuant to the covenant "—Repurchase at the Option of Holders—Asset Sales";

(2) the incurrence of Existing Indebtedness;

(3) the incurrence by Spectrum Brands and the Guarantors of Indebtedness represented by the Notes offered hereby (including Exchange Notes but excluding any Additional Notes) and the related Note Guarantees;

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(4) the incurrence by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of Indebtedness (including Capital Lease Obligations, mortgage financings or purchase money obligations), incurred for the purpose of financing or reimbursing all or any part of the purchase price or cost of the acquisition, development, construction, purchase, lease, repair, addition or improvement of property (real or personal), plant, equipment or other fixed or capital assets that are used or useful in the Permitted Business, whether through the direct purchase of assets or the purchase of Equity Interests of any Person owning such assets (in each case, incurred within 365 days of such acquisition, development, construction, purchase, lease, repair, addition or improvement), in a principal amount that, when aggregated with the principal amount of all Indebtedness then outstanding under this clause (4), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any such Indebtedness incurred under this clause (4), does not exceed the greater of (a) \$300.0 million and (b) 30% of Consolidated Cash Flow of Spectrum Brands for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is incurred and after giving pro forma effect thereto as if such event occurred at the beginning of such four fiscal quarters;

(5) the incurrence by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5), (8), (10), (11) or (16) of this paragraph;

(6) the incurrence by Spectrum Brands or any of its Restricted Subsidiaries of intercompany Indebtedness owing to and held by Spectrum Brands or any of its Restricted Subsidiaries; provided that:

(a) if Spectrum Brands or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of Spectrum Brands, or the Note Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Spectrum Brands or a Restricted Subsidiary thereof and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either Spectrum Brands or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by Spectrum Brands or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the Guarantee by Spectrum Brands or any Restricted Subsidiary of Indebtedness of Spectrum Brands or a Restricted Subsidiary of Spectrum Brands that was permitted to be incurred by another provision of this covenant;

(8) the incurrence by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of other Indebtedness in a principal amount (or accreted amount as applicable) that, when aggregated with the principal amount of all Indebtedness then outstanding under this clause (8), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any such Indebtedness incurred under this clause (8), does not exceed the greater of (a) \$400.0 million and (b) 40% of Consolidated Cash Flow of Spectrum Brands for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is incurred and after giving pro forma effect thereto as if such event occurred at the beginning of such four fiscal quarters;

(9) the incurrence of Indebtedness by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of incurrence;

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(10) Acquired Debt; provided that after giving effect to the incurrence thereof, Spectrum Brands either (x) could incur \$1.00 of indebtedness under paragraph (a) above or (y) would have had a Fixed Charge Coverage Ratio equal to or greater than the actual Fixed Charge Coverage Ratio of Spectrum Brands for the four-quarter period immediately prior to such transaction;

(11) the incurrence of Indebtedness by Foreign Subsidiaries; provided that the principal amount (or accreted value, as applicable) incurred under this clause (11), when aggregated with the principal amount (or accreted value, as applicable) of all other Indebtedness then outstanding and incurred under this clause (11), together with all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (11), does not exceed \$600.0 million, and Guarantees thereof by any Foreign Subsidiary;

(12) (A) Indebtedness in respect of bid, performance or surety bonds, workers' compensation claims, self-insurance obligations or health, disability or other benefits to employees or former employees or their families, and Indebtedness incurred in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, in each case incurred in the ordinary course of business, including guarantees or obligations of Spectrum Brands or any Restricted Subsidiary with respect to letters of credit supporting such obligations (in each case other than for an obligation for money borrowed); and (B) Indebtedness consisting of the financing of insurance premiums, in the ordinary course of business;

(13) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(14) Indebtedness of Spectrum Brands or any Restricted Subsidiary incurred in the ordinary course of business under guarantees of Indebtedness of suppliers, licensees, franchisees or customers in an aggregate amount not to exceed \$10.0 million at any time outstanding;

(15) the incurrence by Spectrum Brands or any of its Restricted Subsidiaries of Indebtedness solely in respect of premium financing or similar deferred payment obligations with respect to insurance policies purchased in the ordinary course of business;

(16) Contribution Indebtedness; and

(17) Indebtedness incurred on behalf of, or representing Guarantees of Indebtedness of, joint ventures of Spectrum Brands or any Restricted Subsidiary; provided that the aggregate principal amount of Indebtedness incurred under this clause (17), when aggregated with the principal amount of all other Indebtedness then outstanding and incurred pursuant to this clause (17) does not exceed the greater of \$100.0 million and 10.0% of Consolidated Cash Flow.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that any proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (17) above, or is entitled to be incurred pursuant to paragraph (a) of this covenant, Spectrum Brands will be permitted to divide, classify or reclassify at the time of its incurrence such item of Indebtedness in any manner that complies with this covenant. In addition, any Indebtedness originally classified as incurred pursuant to paragraph (a) or clauses (1) through (17) above may later be reclassified by Spectrum Brands such that it will be deemed as having been incurred pursuant to another of such clauses or paragraph (a) above to the extent that such reclassified Indebtedness could be incurred pursuant to such new clause or paragraph (a) at the time of such reclassification (based on circumstances existing at the time of such reclassification). If any Contribution Debt is designated as incurred under any provision other than clause (16) under paragraph (b), the related issuance of Equity Interests may be included in any calculation under paragraph (A)(3)(b) of "Restricted Payments."

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Subject to the foregoing, any Indebtedness incurred pursuant to clause (1) above shall be deemed for purposes of this covenant to have been incurred on the date such Indebtedness was first incurred until such Indebtedness is actually repaid, other than pursuant to “cash sweep” provisions or any similar provisions under any Credit Facility that provides that such Indebtedness is deemed to be repaid daily (or otherwise periodically).

The amount of Indebtedness incurred in any foreign currency for purposes of the Indenture shall be converted into U.S. dollars at the time of first incurrence, in the case of term debt, or first committed or first incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt, and the amount of such Indebtedness outstanding will not be deemed to change as a result of fluctuations in currency exchange rates after such date of incurrence. However, if the Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and the refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of the refinancing, the U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of the refinancing Indebtedness does not exceed the principal amount of the Indebtedness being refinanced.

Spectrum Brands shall not incur any Indebtedness that is subordinated or junior in right of payment to any Indebtedness of Spectrum Brands unless it is subordinated in right of payment to the Notes at least to the same extent. No Guarantor shall incur any Indebtedness that is subordinated or junior in right of payment to the Indebtedness of such Guarantor unless it is subordinated in right of payment to such Guarantor’s Note Guarantee at least to the same extent. For purposes of the foregoing, no Indebtedness will be deemed to be subordinated or junior in right of payment to any other Indebtedness of Spectrum Brands or any Guarantor, as applicable, solely by reason of any Liens or Guarantees arising or created in respect thereof or by virtue of the fact that the holders of any secured Indebtedness have entered into intercreditor agreements giving one or more of such holders priority over the other holders in the collateral held by them.

Liens

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, without effectively providing that the Notes are secured equally and ratably with (or, if the obligation to be secured by the Lien is subordinated in right of payment to the Notes or any Note Guarantee, prior to) the obligations so secured for so long as such obligations are so secured.

For purposes of determining compliance with this covenant, (A) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of permitted Liens described in clauses (1) through (27) of the definition of “Permitted Liens” or pursuant to the first paragraph of this covenant but may be permitted in part under any combination thereof and (B) in the event that a Lien securing an item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) meets the criteria of one or more of the categories of permitted Liens described in clauses (1) through (27) of the definition of “Permitted Liens” or pursuant to the first paragraph of this covenant, Spectrum Brands shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Lien or such item of Indebtedness secured by such Lien in one of the clauses of the definition of “Permitted Liens” and such Lien securing such item of Indebtedness will be treated as being incurred or existing pursuant to only one of such clauses or pursuant to the first paragraph hereof.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “Increased Amount” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of

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original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on preferred stock in the form of additional shares of preferred stock of the same class, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness described in subclause (x) of the second paragraph of the definition of "Indebtedness."

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to Spectrum Brands or any of its Restricted Subsidiaries or pay any liabilities owed to Spectrum Brands or any of its Restricted Subsidiaries;

(2) make loans or advances to Spectrum Brands or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to Spectrum Brands or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of or with respect to:

(1) the Revolving Credit Agreement, the Term Loan Agreement, Existing Indebtedness or any other agreements as in effect on the Issue Date;

(2) applicable law, rule, regulation or order;

(3) any Person or the property or assets of a Person acquired by Spectrum Brands or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(4) in the case of clause (3) of the first paragraph of this covenant:

(a) provisions that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset;

(b) restrictions existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of Spectrum Brands or any Restricted Subsidiary not otherwise prohibited by the Indenture; or

(c) restrictions arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of Spectrum Brands or any Restricted Subsidiary in any manner material to Spectrum Brands or any Restricted Subsidiary;

(5) customary provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other agreements;

(6) any agreement for the sale or other disposition of all or substantially all of the capital stock of, or property and assets of, a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending such sale or other disposition;

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(7) Indebtedness of a Foreign Subsidiary permitted to be incurred under the Indenture; provided that (a) such encumbrances or restrictions are ordinary and customary with respect to the type of Indebtedness being incurred and (b) such encumbrances or restrictions will not materially (in good faith by the Board of Directors of Spectrum Brands) impair Spectrum Brands' ability to make principal and interest payments on the Notes, as determined;

(8) the Indenture, the Notes, the Exchange Notes, any Additional Notes or the Guarantees;

(9) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(10) other Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries permitted to be incurred after the Issue Date pursuant to the provisions of the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock"; provided that such restrictions will not materially (in the good faith judgment of the Board of Directors of Spectrum Brands) impair Spectrum Brands' ability to make principal and interest payments on the Notes;

(11) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase or other agreement to which Spectrum Brands or any of its Restricted Subsidiaries is a party and entered into in the ordinary course of business; provided that such agreement prohibits the encumbrance of solely the property or assets of Spectrum Brands or such Restricted Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of Spectrum Brands or such Restricted Subsidiary or the assets or property of any other Restricted Subsidiary;

(12) any instrument governing any Indebtedness or Capital Stock of a Person that is an Unrestricted Subsidiary as in effect on the date that such Person becomes a Restricted Subsidiary, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person who became a Restricted Subsidiary, or the property or assets of the Person who became a Restricted Subsidiary and was not entered into in contemplation of the designation of such Subsidiary as a Restricted Subsidiary; provided that, in the case of Indebtedness, the incurrence of such Indebtedness as a result of such Person becoming a Restricted Subsidiary was permitted by the terms of the Indenture;

(13) purchase money obligations for property acquired and Capital Lease Obligations in the ordinary course of business that impose restrictions of the nature discussed in clause (3) of the first paragraph of this covenant on the property so acquired; and

(14) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) of the first paragraph of this covenant imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Spectrum Brands' Board of Directors, not materially more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this covenant, (i) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to Spectrum Brands or a Restricted Subsidiary of Spectrum Brands to other Indebtedness incurred by Spectrum Brands or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Merger, Consolidation or Sale of Assets

Spectrum Brands will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not Spectrum Brands is the surviving corporation) or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of Spectrum Brands and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person or Persons, unless:

(1) either: (a) Spectrum Brands is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than Spectrum Brands) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made (i) is a corporation or limited liability company organized or existing under the laws of the United States, any state thereof or the District of Columbia and (ii) assumes all the obligations of Spectrum Brands under the Notes, the Indenture, and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction no Default or Event of Default exists; and

(3) immediately after giving effect to such transaction on a pro forma basis, Spectrum Brands or the Person formed by or surviving any such consolidation or merger (if other than Spectrum Brands), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made, will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be (i) permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock” or (ii) have had a Fixed Charge Coverage Ratio equal to or greater than the actual Fixed Charge Coverage Ratio of Spectrum Brands for the four-quarter period immediately prior to such transaction.

In addition, neither Spectrum Brands nor any Restricted Subsidiary may, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. Clauses (2) and (3) above of this “Merger, Consolidation or Sale of Assets” covenant will not apply to any merger, consolidation or sale, assignment, transfer, lease, conveyance or other disposition of assets between or among Spectrum Brands and any of its Restricted Subsidiaries.

Transactions with Affiliates

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an “Affiliate Transaction”) involving payments of consideration in excess of \$5.0 million, unless:

(1) such Affiliate Transaction is on terms that are no less favorable to Spectrum Brands or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s-length transaction by Spectrum Brands or such Restricted Subsidiary with a Person that is not an Affiliate of Spectrum Brands as determined in good faith by a majority of the disinterested members of the Board of Directors; and

(2) Spectrum Brands delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$50.0 million, a resolution of the Board of Directors set forth in an officer’s certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with clause (1) of this covenant and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors.

The following items shall not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) transactions between or among Spectrum Brands and/or its Restricted Subsidiaries;

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(2) payment of reasonable and customary fees and compensation to, and reasonable and customary indemnification arrangements and similar payments on behalf of, directors of Spectrum Brands;

(3) Restricted Payments that are permitted by the provisions of the Indenture described above under the caption “—Restricted Payments,” or any Permitted Investments;

(4) any sale of Capital Stock (other than Disqualified Stock) of Spectrum Brands;

(5) loans and advances to officers and employees of Spectrum Brands or any of its Restricted Subsidiaries or Holdings (or any direct or indirect parent of Holdings) for bona fide business purposes in the ordinary course of business consistent with past practice;

(6) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by Spectrum Brands or any of its Restricted Subsidiaries with officers and employees of Spectrum Brands or any of its Restricted Subsidiaries or Holdings (or any direct or indirect parent of Holdings) and the payment of compensation to officers and employees of Spectrum Brands or any of its Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option or similar plans), in each case in the ordinary course of business;

(7) any agreements or arrangements in effect on the Issue Date, or any amendment, modification, or supplement thereto or any replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced, taken as a whole, is not more disadvantageous to Spectrum Brands and its Restricted Subsidiaries than the original agreement as in effect on the Issue Date, as determined in good faith by Spectrum Brands’ Board of Directors, and any transactions contemplated by any of the foregoing agreements or arrangements;

(8) transactions with customers, clients, suppliers, joint ventures, joint venture partners, Unrestricted Subsidiaries or purchasers or sellers of goods and services, in each case in the ordinary course of business and on terms no less favorable than that available from non-affiliates (as determined by Spectrum Brands) and otherwise not prohibited by the Indenture;

(9) any transaction with an Affiliate (i) where the only consideration paid by Spectrum Brands or any Restricted Subsidiary is Qualified Equity Interests or (ii) consisting of the provision of customary registration rights;

(10) (a) the payment of all Transaction Expenses by Spectrum Brands and its Restricted Subsidiaries and (b) the payment of all Prior Transaction Expenses by Spectrum Brands and its Restricted Subsidiaries;

(11) any merger, consolidation or reorganization of Spectrum Brands (otherwise permitted by the Indenture) with an Affiliate of Spectrum Brands solely for the purpose of (a) reorganizing to facilitate an initial public offering of securities of Spectrum Brands or a direct or indirect parent of Spectrum Brands, (b) forming or collapsing a holding company structure or (c) reincorporating Spectrum Brands in a new jurisdiction;

(12) transactions between Spectrum Brands or any of its Restricted Subsidiaries and any Person that is an Affiliate solely because one or more of its directors is also a director of Spectrum Brands or any direct or indirect parent of Spectrum Brands; provided that such director abstains from voting as a director of Spectrum Brands or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(13) the entering into of any tax sharing agreement or arrangement or any other transactions undertaken in good faith that is consistent with paragraph (b)(9)(iv) of the “—Restricted Payments” covenant;

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(14) any transaction by Spectrum Brands or any Restricted Subsidiary with any Affiliate for any financial advisory, financing (including the extension of credit or making of loans by any Affiliate), underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the Board of Directors of Spectrum Brands in good faith; and

(15) transactions in which Spectrum Brands or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an independent accounting, appraisal or investment banking firm of national standing stating that such transaction is fair to Spectrum Brands or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph.

Asset Sales

Spectrum Brands will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Spectrum Brands (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration therefore received by Spectrum Brands or such Restricted Subsidiary is in the form of Cash Equivalents or Replacement Assets. For purposes of this clause, each of the following shall be deemed to be Cash Equivalents:

(a) any liabilities (as shown on Spectrum Brands' or such Restricted Subsidiary's most recent balance sheet) of Spectrum Brands or any Restricted Subsidiary (other than contingent liabilities, Indebtedness that is by its terms subordinated to the Notes or any Note Guarantee and liabilities to the extent owed to Spectrum Brands or any Affiliate of Spectrum Brands) that are assumed by the transferee of any such assets and with respect to which Spectrum Brands and its Restricted Subsidiaries are unconditionally released from further liability in writing or that are otherwise cancelled or terminated in connection with the transaction with such transferee;

(b) any securities, notes or other obligations or assets received by Spectrum Brands or any such Restricted Subsidiary from such transferee that are converted by Spectrum Brands or such Restricted Subsidiary into cash (to the extent of the cash received in that conversion) within 360 days of the applicable Asset Sale; and

(c) any Designated Non-cash Consideration received by Spectrum Brands or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of \$20.0 million or 2.0% of Consolidated Cash Flow at the time of the receipt of such Designated Non-cash Consideration (with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

If at any time any non-cash consideration received by Spectrum Brands or any Restricted Subsidiary, as the case may be, in connection with any Asset Sale is repaid or converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then the date of such repayment, conversion or disposition shall be deemed to constitute the date of an Asset Sale hereunder and the Net Proceeds thereof shall be applied in accordance with this covenant.

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Within 365 days after the receipt of any Net Proceeds from an Asset Sale, Spectrum Brands may apply such Net Proceeds at its option:

(1) to repay secured Indebtedness or Indebtedness of a non-Guarantor Restricted Subsidiary owed to a Person that is not an Affiliate of Spectrum Brands and, except in the case of Indebtedness under the Revolving Credit Agreement, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to prepay, repay or repurchase any Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries which is not expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of Spectrum Brands, or the Note Guarantee, in the case of a Guarantor; or

(3) to purchase Replacement Assets or make a capital expenditure in or that is used or useful in a Permitted Business; provided that, if during the 365 day period following the consummation of an Asset Sale, Spectrum Brands or a Restricted Subsidiary enters into a definitive binding agreement committing it to apply the Net Proceeds in accordance with the requirements of this clause (3) after such 365 day period, such 365 day period will be extended with respect to the amount of Net Proceeds so committed until such Net Proceeds are required to be applied in accordance with such agreement (but such extension will in no event be for a period longer than 180 days) or, if earlier, the date of termination of such agreement; provided, further, that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, then such Net Proceeds shall constitute Excess Proceeds unless Spectrum Brands or such Restricted Subsidiary enters into another binding commitment (a "Second Commitment") within six months of such cancellation or termination of the prior binding commitment; provided, further, that Spectrum Brands or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale and to the extent such Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied or are not applied within 180 days of such Second Commitment, then such Net Proceeds shall constitute Excess Proceeds.

Following the entering into of a binding agreement with respect to an Asset Sale and prior to the consummation thereof, Cash Equivalents (whether or not actual Net Proceeds of such Asset Sale) used for the purposes described in clause (3) that are designated as used in accordance with clause (3), and not previously or subsequently so designated in respect of any other Asset Sale, shall be deemed to be Net Proceeds applied in accordance with clause (3).

Pending the final application of any such Net Proceeds, Spectrum Brands may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in clause (1), (2) or (3) of the second preceding paragraph will constitute "Excess Proceeds." Within 30 days after the aggregate amount of Excess Proceeds exceeds \$50.0 million, Spectrum Brands will make an Asset Sale Offer to all Noteholders and all holders of other Indebtedness that is *pari passu* with the Notes or any Note Guarantee containing provisions similar to those set forth in the Indenture with respect to offers to purchase with the proceeds of sales of assets, to purchase the maximum principal amount of the Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. Spectrum Brands and its Restricted Subsidiaries may make an Asset Sale Offer under this section using Net Proceeds prior to the time any such Net Proceeds become Excess Proceeds, in which case such Net Proceeds shall be deemed to have been applied within the time frame required by this covenant. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount of the Notes and such other *pari passu* Indebtedness plus accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Spectrum Brands may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of the Notes and such other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness shall be purchased on a pro rata

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basis based on the principal amount of the Notes and such other *pari passu* Indebtedness tendered. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

Spectrum Brands will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with each repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sales provisions of the Indenture, Spectrum Brands will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that:

(1) any Guarantee by Spectrum Brands or any Restricted Subsidiary of any Indebtedness of the Subsidiary being so designated will be deemed to be an incurrence of Indebtedness by Spectrum Brands or such Restricted Subsidiary (or both, if applicable) at the time of such designation, and such incurrence of Indebtedness would be permitted under the covenant described above under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock”;

(2) the aggregate fair market value of all outstanding Investments owned by Spectrum Brands and its Restricted Subsidiaries in the Subsidiary being so designated (including any Guarantee by Spectrum Brands or any Restricted Subsidiary of any Indebtedness of such Subsidiary) will be deemed to be a Restricted Investment made as of the time of such designation and that such Investment would be permitted under the covenant described above under the caption “—Certain Covenants—Restricted Payments”;

(3) such Subsidiary does not own any Equity Interests of, or hold any Liens on any Property of, Spectrum Brands or any Restricted Subsidiary;

(4) the Subsidiary being so designated:

(a) is not party to any agreement, contract, arrangement or understanding with Spectrum Brands or any Restricted Subsidiary of Spectrum Brands that would not be permitted under “Transactions with Affiliates” and;

(b) except as permitted under clauses (1) and (2) above is a Person with respect to which neither Spectrum Brands nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results.

(5) no Default or Event of Default would be in existence following such designation.

If, at any time, any Unrestricted Subsidiary would fail to meet any of the preceding requirements described in clause (4) above, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness, Investments, or Liens on the property, of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of Spectrum Brands as of such date and, if such Indebtedness, Investments or Liens are not permitted to be incurred as of such date under the Indenture, Spectrum Brands shall be in default under the Indenture.

The Board of Directors of Spectrum Brands may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that:

(1) such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Spectrum Brands of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall

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only be permitted if such Indebtedness is permitted under the covenant described under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock,” calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period;

(2) all outstanding Investments owned by such Unrestricted Subsidiary will be deemed to be made as of the time of such designation and such Investments shall only be permitted if such Investments would be permitted under the covenant described above under the caption “—Certain Covenants—Restricted Payments”;

(3) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under the caption “—Certain Covenants—Liens”; and

(4) no Default or Event of Default would be in existence following such designation.

Guarantees

If Spectrum Brands or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary on or after the Issue Date, then that newly acquired or created Domestic Subsidiary must promptly become a Guarantor and execute a supplemental indenture and deliver an opinion of counsel to the Trustee.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than Spectrum Brands or another Guarantor unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Guarantor) is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia and assumes all the obligations of that Guarantor under the Indenture, Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture satisfactory to the Trustee; or

(b) except in the case of Holdings, such sale or other disposition or consolidation or merger complies with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales.”

The Note Guarantee of a Guarantor (other than Holdings) will be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) Spectrum Brands or a Restricted Subsidiary, if the sale of all such Capital Stock of that Guarantor does not violate the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales”;

(2) if Spectrum Brands designates such Guarantor as an Unrestricted Subsidiary in accordance with the provisions of the Indenture;

(3) upon legal or covenant defeasance of the Notes or satisfaction and discharge of the Indenture as provided below under the captions “—Legal Defeasance and Covenant Defeasance” and “—Satisfaction and Discharge” or;

(4) upon a sale of Capital Stock which causes such Guarantor to cease to be a Subsidiary if such sale does not violate any of the provisions of the Indenture; provided that such Guarantor is concurrently released from any other Guarantees of Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries at such time.

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Reports

So long as any Notes are outstanding, Spectrum Brands will file with the U.S. Securities and Exchange Commission (“Commission”) and furnish to the Trustee and, upon request, to the Holders:

- (1) within 90 days after the end of each fiscal year, an annual report on Form 10-K;
- (2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, a quarterly report on Form 10-Q; and
- (3) promptly from time to time after the occurrence of an event required to be therein reported pursuant to Form 8-K, a current report on Form 8-K.

If Spectrum Brands is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, Spectrum Brands will nevertheless continue filing the reports specified in the preceding paragraphs of this covenant with the Commission within the time periods specified above unless the Commission will not accept such a filing. If the Commission will not accept Spectrum Brands’ filings for any reason, Spectrum Brands will furnish the reports referred to in the preceding paragraphs to the Trustee within the time periods that would apply if Spectrum Brands were required to file those reports with the Commission. Spectrum Brands will not take any action for the purpose of causing the Commission not to accept any such filings. Any information filed with, or furnished to, the Commission via EDGAR shall be deemed to have been made available to the Trustee and the registered holders of the Notes.

Notwithstanding the foregoing, (A) if Holdings or any other direct or indirect parent of Spectrum Brands fully and unconditionally guarantees the Notes, the filing of such reports by such parent within the time periods specified above will satisfy such obligations of Spectrum Brands; provided that such reports shall include the information required by Rule 3-10 of Regulation S-X with respect to Spectrum Brands and the Guarantors and (B) if neither Spectrum Brands nor Holdings is subject to Section 13 or 15(d) of the Exchange Act, the financial statements, information and other documents required to be provided as described above, may be those of (i) Spectrum Brands or (ii) any direct or indirect parent of Spectrum Brands, so long as in the case of (ii) such direct or indirect parent of Spectrum Brands shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any business or operations other than its direct or indirect ownership of all of the Equity Interests in, and its management of Spectrum Brands; provided that, if the financial information so furnished relates to such direct or indirect parent of Spectrum Brands, the same is accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Spectrum Brands and its Restricted Subsidiaries on a standalone basis, on the other hand.

Spectrum Brands shall distribute such information and such reports to the Trustee, and make them available, upon request, to any Holder and to any such prospective investor or securities analyst. To the extent not satisfied by the foregoing, Spectrum Brands shall also make publicly available the information required to be available pursuant to Rule 144A(d)(4) under the Securities Act.

Activities of Holdings

Holdings shall not engage in any material activities or hold any material assets other than holding the Capital Stock of Spectrum Brands and those activities incidental thereto and will not incur any material liabilities other than liabilities relating to its Guarantee of the Notes, its Guarantee of any other Indebtedness of Spectrum Brands or any of its Subsidiaries and any other obligations or liabilities incidental to its activities as a holding company.

Events of Default and Remedies

Each of the following is an Event of Default:

- (1) default for 30 days in the payment when due of interest on the Notes;

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(2) default in payment when due (whether at maturity, upon acceleration, redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by Spectrum Brands or any of its Restricted Subsidiaries to comply with the provisions described under the captions “—Repurchase at the Option of Holders—Change of Control,” “—Repurchase at the Option of Holders—Asset Sales” or “—Certain Covenants—Merger, Consolidation or Sale of Assets” or the provisions described in the second paragraph under the caption “—Certain Covenants—Guarantees”;

(4) failure by Spectrum Brands or any of its Restricted Subsidiaries for 60 days after written notice by the Trustee or Holders representing 25% or more of the aggregate principal amount of outstanding Notes to comply with any of the other agreements in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Spectrum Brands or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by Spectrum Brands or any of its Restricted Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to make any payment of principal at the final maturity of such Indebtedness (a “Payment Default”);

(b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$75.0 million or more;

(6) failure by Spectrum Brands or any of its Restricted Subsidiaries to pay final judgments (to the extent such judgments are not paid or covered by insurance provided by a carrier that has acknowledged coverage in writing and has the ability to perform) aggregating in excess of \$75.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) except as permitted by the Indenture, any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any authorized Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee; and

(8) certain events of bankruptcy or insolvency with respect to Spectrum Brands, any Significant Subsidiary of Spectrum Brands (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary).

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to Spectrum Brands, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to Spectrum Brands specifying the Event of Default.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest.

The Holders of a majority in aggregate principal amount the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its

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consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Holders of a majority in principal amount of the Notes then outstanding will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or form the appointment of a recipient or a trustee, or pursue any remedy with respect to the Indenture or the Notes unless:

- (1) the Holder gives the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;
- (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Spectrum Brands is required to deliver to the Trustee annually within 120 days after the end of each fiscal year a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, Spectrum Brands is required to deliver to the Trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator, stockholder or controlling person of Spectrum Brands or any Guarantor, as such, shall have any liability for any obligations of Spectrum Brands or the Guarantors under the Notes, the Indenture, the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to Spectrum Brands) have been delivered to the Trustee for cancellation; or

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(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable within one year and Spectrum Brands or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts, as determined by Spectrum Brands, as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit (other than from the borrowing of funds to be applied to such deposit) and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument (other than the Indenture) to which Spectrum Brands or any Guarantor is a party or by which Spectrum Brands or any Guarantor is bound;

(3) Spectrum Brands or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) Spectrum Brands has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In the case of satisfaction and discharge, upon any redemption that requires the payment of the Applicable Premium, the amount deposited with the trustee shall be sufficient for purposes of clause (1) above and the Indenture to the extent that an amount is deposited with the trustee equal to the Applicable Premium calculated as of the date of such deposit, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an officer's certificate delivered to the trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

In addition, Spectrum Brands must deliver an officer's certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Legal Defeasance and Covenant Defeasance

Spectrum Brands may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes ("Legal Defeasance") except for:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on such Notes when such payments are due from the trust referred to below;

(2) Spectrum Brands' obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and Spectrum Brands' and the Guarantor's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, Spectrum Brands may, at its option and at any time, elect to have the obligations of Spectrum Brands and the Guarantors released with respect to most covenants that are described in the Indenture

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("Covenant Defeasance") and thereafter any omission to comply with those covenants shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "Events of Default and Remedies" will no longer constitute Events of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) Spectrum Brands must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants (or, if two or more nationally recognized firms of independent public accountants decline to issue such opinion as a matter of policy, in the opinion of Spectrum Brands' chief financial officer) to pay the principal of, or interest and premium, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and Spectrum Brands must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, Spectrum Brands shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that (a) Spectrum Brands has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, Spectrum Brands shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit other than a Default resulting from the borrowing of funds to be applied to such deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument to which Spectrum Brands or any of its Subsidiaries is a party or by which Spectrum Brands or any of its Subsidiaries is bound;

(6) Spectrum Brands must deliver to the Trustee an officer's certificate stating that the deposit was not made by Spectrum Brands with the intent of preferring the Holders of Notes over the other creditors of Spectrum Brands with the intent of defeating, hindering, delaying or defrauding creditors of Spectrum Brands or others;

(7) if the Notes are to be redeemed prior to their stated maturity, Spectrum Brands must deliver to the Trustee irrevocable instructions to redeem all of the Notes on the specified redemption date; and

(8) Spectrum Brands must deliver to the Trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

In the case of defeasance, upon any redemption that requires the payment of the Applicable Premium, the amount deposited with the trustee shall be sufficient for purposes of clause (1) above and the Indenture to the extent that an amount is deposited with the trustee equal to the Applicable Premium calculated as of the date of

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such deposit, with the Applicable Premium Deficit only required to be deposited with the trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an officer's certificate delivered to the trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

In the case of legal or covenant defeasance, all Guarantees and Liens will be released.

Amendment, Supplement and Waiver

Except as provided in the next succeeding paragraphs, the Indenture, the Notes or the Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes or the Guarantees may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each Holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of the Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions, or waive any payment, with respect to the redemption of the Notes (other than the notice period with respect to the redemption of the Notes);

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than U.S. dollars;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium, if any, on the Notes;

(7) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;

(8) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;

(9) amend, change or modify the obligation of Spectrum Brands to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with the "Repurchase at the Option of Holders—Asset Sales" covenant after the obligation to make such Asset Sale Offer has arisen, or the obligation of Spectrum Brands to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with the "Repurchase at the Option of Holders—Change of Control" covenant after such Change of Control has occurred, including, in each case, amending, changing or modifying any definition relating thereto;

(10) except as otherwise permitted under the "Merger, Consolidation and Sale of Assets" covenant, consent to the assignment or transfer by Spectrum Brands of any of its rights or obligations under the Indenture; or

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(11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of the Notes, Spectrum Brands, the Guarantors and the Trustee may amend or supplement the Indenture, the Notes or the Guarantees:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition or in place of certificated Notes;

(3) to provide for the assumption of Spectrum Brands' or any Guarantor's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of Spectrum Brands' or such Guarantor's assets;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder;

(5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

(6) to comply with the provision described under "Certain Covenants—Guarantees";

(7) to evidence and provide for the acceptance of appointment by a successor Trustee;

(8) to provide for the issuance of Additional Notes in accordance with the Indenture; or

(9) to conform any provision to this "Description of 2025 Notes."

Concerning the Trustee

If the Trustee becomes a creditor of Spectrum Brands or any Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The Indenture provides that in case an Event of Default shall occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of such person's own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of the Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"AAG Acquisition" means the acquisition of all of the equity interests of the Armored AutoGroup Parent Inc. pursuant to the AAG Merger Agreement.

"AAG Merger Agreement" means the Agreement and Plan of Merger by and among Armored AutoGroup Parent Inc., Spectrum Brands Holdings, Inc., Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, in relation to the AAG Acquisition and as amended from time to time.

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“Acquired Debt” means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into, or becomes a Subsidiary of, such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquired Debt will be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of such assets.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” shall have correlative meanings; provided further that Paula Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG, Mannheim shall not be deemed an Affiliate of Spectrum Brands or any of its Restricted Subsidiaries solely by virtue of the beneficial ownership by Spectrum Brands or its Restricted Subsidiaries of up to 20% of the Voting Stock of such entity.

“Applicable Premium” means, with respect to any Note on any redemption date, the greater of 1.0% of the principal amount of such Note; or the excess of:

(a) the present value at such redemption date of (i) the redemption price of such Note at July 15, 2020 (such redemption price being set forth in the table appearing above under “—Optional Redemption”), plus (ii) all required interest payments due on such Note through July 15, 2020 excluding accrued but unpaid interest to the applicable redemption date, computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of such Note.

“Asset Sale” means:

(1) the sale, lease, conveyance or other disposition of any property or assets of Spectrum Brands or any Restricted Subsidiary; provided that the sale, conveyance or other disposition of all or substantially all of the assets of Spectrum Brands and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions described under “—Repurchase at the Option of Holders—Asset Sale”; and

(2) the issuance of Equity Interests (other than directors’ qualifying shares) by any of Spectrum Brands’ Restricted Subsidiaries or the sale by Spectrum Brands or any Restricted Subsidiary of Equity Interests (other than directors’ qualifying shares) in any of its Subsidiaries.

Notwithstanding the preceding, the following items shall be deemed not to be Asset Sales:

(1) any single transaction or series of related transactions that involves assets having a fair market value of less than \$50.0 million;

(2) a transfer of assets between or among Spectrum Brands and its Restricted Subsidiaries;

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(3) an issuance of Equity Interests by a Restricted Subsidiary to Spectrum Brands or to another Restricted Subsidiary;

(4) the sale, lease, assignment or other disposition of equipment, inventory, accounts receivable or other assets in the ordinary course of business or consistent with past business practice and any other non-recourse factoring of accounts receivable pursuant to a factoring program sponsored by a retailer of national standing in partnership with a financial institution or otherwise entered into by Spectrum Brands or any of its subsidiaries with a financial institution;

(5) the sale or other disposition of Cash Equivalents;

(6) a Permitted Investment or Restricted Payment that is permitted by the covenant described above under the caption “—Certain Covenants—Restricted Payments”;

(7) any sale or disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable or no longer used or required for use in the ordinary course of the business of Spectrum Brands or its Restricted Subsidiaries;

(8) the licensing of intellectual property in the ordinary course of business;

(9) any sale or other disposition deemed to occur with creating or granting a Lien not otherwise prohibited by the Indenture;

(10) any surrender or waiver of contract rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(11) foreclosure or any similar action with respect to any property or other asset of Spectrum Brands or any of its Restricted Subsidiaries, which foreclosure or other similar action does not otherwise constitute a Default;

(12) to the extent allowable under Section 1031 of the Internal Revenue Code of 1986, any exchange of like property (excluding any boot thereon) for use in a Permitted Business; and

(13) the unwinding of any Hedging Obligation.

For purposes of this definition, any series of related transactions that, if effected as a single transaction, would constitute an Asset Sale, shall be deemed to be a single Asset Sale effected when the last such transaction which is a part thereof is effected.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” shall be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “Beneficially Owns” and “Beneficially Owned” shall have a corresponding meaning.

“Board of Directors” means:

(1) with respect to a corporation, the board of directors of the corporation or any direct or indirect parent company of such corporation, or any duly authorized committee thereof having the authority of the full board with respect to the determination to be made;

(2) with respect to a limited liability company, any managing member thereof or, if managed by managers, the board of managers thereof, or any duly authorized committee thereof having the authority of the full board with respect to the determination to be made;

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(3) with respect to a partnership, the Board of Directors of the general partner of the partnership; and

(4) with respect to any other Person, the board or committee of such Person or any direct or indirect parent company of such Person serving a similar function.

“Borrowing Base” means the sum of (A) 80% of the net book value of accounts receivable of Spectrum Brands and its Restricted Subsidiaries and (B) 60% of the net book value of inventory of Spectrum Brands and its Restricted Subsidiaries (with accounts receivable and inventory calculated on the basis that all Investments, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company and its Restricted Subsidiaries prior to or substantially contemporaneous with the date of any calculation shall be included or excluded, as the case may be, on a pro forma basis with such calculations made in good faith by a responsible financial or accounting officer of the Company).

“Capital Lease Obligation” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

“Capital Stock” means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Cash Equivalents” means (a) United States dollars, Euros, British Pounds Sterling or any other currencies received in the ordinary course of business; (b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition; (c) time deposits, certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any bank or trust company organized or licensed under the laws of the United States or any state thereof or the District of Columbia whose short-term debt is rated “A-2” or higher by S&P or “P-2” or higher by Moody’s; (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above; (e) commercial paper having at least a “P-1” rating from Moody’s or “A-1” from S&P and in each case maturing within nine months after the date of acquisition; (f) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof having the highest ratings obtainable from Moody’s or S&P and maturing within six months from the date of acquisition thereof; (g) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (f) of this definition; and (h) in the case of a Foreign Subsidiary, substantially similar investments, of comparable credit quality, denominated in local currency held by such Foreign Subsidiary from time to time in the ordinary course of business.

“Cash Management Obligations” means, with respect to any Person, all obligations, whether now owing or hereafter arising, of such Person in respect of overdrafts and related liabilities or arising from (i) services in

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connection with operating, collections, payroll, trust or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox or stop payment services; (ii) commercial credit card and merchant card services; and (iii) other banking products or services (other than letters of credit and leases).

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

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Spectrum Brands and its Restricted Subsidiaries, taken as a whole, to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than a Permitted Holder;

(2) the adoption of a plan relating to the liquidation or dissolution of Spectrum Brands;

(3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the ultimate Beneficial Owner, directly or indirectly, of 50% or more of the voting power of the Voting Stock of Spectrum Brands or Holdings other than a Permitted Holder;

(4) the first day on which a majority of the members of the Board of Directors of Spectrum Brands are not Continuing Directors; or

(5) Holdings ceases to directly own all Capital Stock of Spectrum Brands.

For purposes of this definition, (i) any direct or indirect holding company of Spectrum Brands (including Holdings) shall not itself be considered a Person for purposes of clauses (3) or (5) above or a “person” or “group” for purposes of clauses (3) or (5) above, provided that no “person” or “group” (other than the Permitted Holders or another such holding company) Beneficially Owns, directly or indirectly, more than 50% of the voting power of the Voting Stock of such company, and a majority of the Voting Stock of such holding company immediately following it becoming the holding company of Spectrum Brands is Beneficially Owned by the Persons who Beneficially Owned the voting power of the Voting Stock of Spectrum Brands immediately prior to it becoming such holding company and (ii) a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement. In addition, any foreclosure (but not any sale thereof to a third party) with respect to Equity Interests of Spectrum Brands by the trustee or the holders of HRG Group, Inc.’s (f/k/a Harbinger Group Inc.) outstanding secured notes shall not be deemed a Change of Control.

“Change of Control Offer” has the meaning assigned to that term in the Indenture governing the Notes.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

“Consolidated Cash Flow” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(a) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(b) Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that any such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(c) depreciation, amortization (including amortization of goodwill, software and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in

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any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; plus

(d) (i) unusual or non-recurring charges, (ii) relocation costs and integration costs or reserves (including such items related to proposed and completed acquisitions and Asset Sales and to closure/consolidation of facilities), (iii) Transaction Expenses, (iv) Prior Transaction Expenses and (v) severance costs, including such costs related to proposed and completed Permitted Investments and Asset Sales and to closure/consolidation of facilities, in each case incurred by Spectrum Brands, Inc. and its Restricted Subsidiaries; plus

(e) the amount of cost savings, operational expense improvements and synergies projected by such person in good faith to be realized as a result of actions taken during such period or to be taken in connection with a transaction that is being given pro forma effect (calculated on a pro forma basis as though such cost savings, operational expense improvements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided that (x) such cost savings, operational expense improvements and synergies are reasonably identifiable and factually supportable and (y) such cost savings, operational expense improvements and synergies are expected in good faith to be realized within 18 months of the end of such period; minus

(f) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue consistent with past practice, in each case, on a consolidated basis and determined in accordance with GAAP.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary thereof;

(2) the Net Income of any Restricted Subsidiary (other than a Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its equityholders;

(3) the Net Income of any Person acquired during the specified period for any period prior to the date of such acquisition shall be excluded;

(4) the cumulative effect of a change in accounting principles shall be excluded;

(5) notwithstanding clause (1) above, the Net Income (but not loss) of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the specified Person or one of its Subsidiaries;

(6) (a) unrealized gains and losses due solely to fluctuations in currency values and the related tax effects according to GAAP shall be excluded (until realized, at which time such gains or losses shall be included); and (b) unrealized gains and losses with respect to Hedging Obligations shall be excluded (until realized, at which time such gains or losses shall be included);

(7) any non-cash charge or expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights shall be excluded;

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(8) (a)(i) the non-cash portion of “straight-line” rent expense less (ii) the cash portion of “straight-line” rent expense which exceeds the amount expensed in respect of such rent expense shall be excluded and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations shall be excluded (until realized, at which time such gains or losses shall be included);

(9) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) approved by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), (i) expenses with respect to liability or casualty events or business interruption shall be excluded and (ii) amounts received, or estimated in good faith to be received, from insurance in respect of lost earnings in respect of liability or causality events or business interruption shall be included (with a deduction for (x) amounts actually received up to such estimated amount to the extent included in Net Income in a future period and (y) for estimated amounts in excess of amounts actually received in a future period);

(10) any charges resulting from the application of FASB ASC 350, Intangibles—Goodwill and Other, Accounting Standards Codification Topic 360-10-35-15, Impairment or Disposal of Long-Lived Assets, Accounting Standards Codification Topic 480-10-25-4, Distinguishing Liabilities from Equity—Overall Recognition, or Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures, the amortization of intangibles arising pursuant to FASB ASC 805, Business Combinations, non-cash interest expense resulting from the application of Accounting Standards Codification Topic 470-20 Debt—Debt with Conversion Options—Recognition, and any non-cash income tax expense that results from the inability to include deferred tax liabilities related to indefinite-lived intangible assets as future reversals of temporary differences under FASB ASC 740-10-30-18, shall be excluded; and

(11) restructuring and related charges and acquisition and related integration charges, including but not limited to, restructuring charges related to the Prior Transactions and the Transactions, shall be excluded.

“Consolidated Total Debt Ratio” means, with respect to any specified Person, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of such Person and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur minus Cash Equivalents included on the consolidated balance sheet of such Person as of the end of such most recent fiscal quarter to (2) Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur, in each case with such pro forma adjustments to Consolidated Total Indebtedness, Cash Equivalents and Consolidated Cash Flow as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

“Consolidated Total Indebtedness” means, as of any date of determination, an amount equal to the sum (without duplication) of (1) the aggregate principal amount of all outstanding Indebtedness of Spectrum Brands and its Restricted Subsidiaries (excluding any undrawn letters of credit) consisting of bankers’ acceptances, Obligations in respect of Capital Lease Obligations, debt obligations evidenced by promissory notes and similar instruments and Indebtedness for borrowed money, plus (2) the aggregate amount of all outstanding Disqualified Stock of Spectrum Brands and its Restricted Subsidiaries, with the amount of such Disqualified Stock equal to the greater of their respective voluntary or involuntary liquidation preferences, in each case determined on a consolidated basis in accordance with GAAP.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors of Spectrum Brands or Holdings who:

(1) was a member of such Board of Directors on the Issue Date or

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(2) was nominated for election or elected to such Board of Directors with the approval of the Permitted Holders or a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

“Contribution Debt” means Indebtedness or Disqualified Stock of Spectrum Brands or any Guarantor in an aggregate principal amount or liquidation preference not greater than twice the aggregate amount of cash received from the issuance and sale of Qualified Equity Interests of Spectrum Brands after the Issue Date; provided that:

(1) such cash has not been used to make a Restricted Payment and shall thereafter be excluded from any calculation under paragraph (A)(3)(b) under “Limitation on Restricted Payments” or used to make any Restricted Payment pursuant to paragraph (B) of such covenant (it being understood that if any such Indebtedness or Disqualified Stock incurred as Contribution Debt is redesignated as incurred under any provision other than paragraph (b)(16) of the “Limitation on Debt” covenant, the related issuance of Equity Interests may be included in any calculation under paragraph (A)(3)(b) in the “Limitation on Restricted Payments” covenant); and

(2) such Contribution Debt (a) is incurred within 180 days after the making of such cash contributions and (b) is so designated as Contribution Debt pursuant to an officer’s certificate on the incurrence date thereof.

“Credit Facilities” means, one or more debt facilities (including, without limitation, the Revolving Credit Agreement and the Term Loan Agreement), or commercial paper facilities with banks or other institutional lenders or investors or indentures or other agreements providing for revolving credit loans, term loans, debt securities (including related exchange notes and guarantees thereof), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit or other long-term indebtedness and, in each case, as such agreements may be amended, amended and restated, supplemented, in any manner whatsoever modified, refinanced, extended, substituted, replaced, renewed, or otherwise restructured or refunded, in whole or in part, in one or more instances, from time to time (including any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing and including any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other lenders)), including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities (including Additional Notes)), providing for revolving credit loans, term loans, letters of credit or other debt obligations, whether any such extension, replacement or refinancing (1) occurs simultaneously or not with the termination or repayment of a prior debt facility or (2) occurs on one or more separate occasions.

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

“Designated Non-cash Consideration” means any non-cash consideration received by Spectrum Brands or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated as Designated Non-cash Consideration pursuant to an officer’s certificate executed by an officer of Spectrum Brands or such Restricted Subsidiary at the time of such Asset Sale.

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date that is the earlier date on which the Notes mature and the date the Notes are no longer outstanding, except to the extent such Capital Stock is solely redeemable with, or solely exchangeable for, any

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Equity Interests of Spectrum Brands that are not Disqualified Stock; provided that if such Capital Stock is issued to any plan for the benefit of employees of Spectrum Brands or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Spectrum Brands or its Subsidiaries in order to satisfy applicable statutory or regulatory obligation; provided, further, that any Capital Stock held by any future, present or former employee, director, officer, manager or consultant (or their estates, spouses or former spouses) of Spectrum Brands, any of its Subsidiaries or any of its direct or indirect parent companies pursuant to any stockholders agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by Spectrum Brands or its Subsidiaries following the termination of employment of such employee, director, officer, manager or consultant with Spectrum Brands or any of its Subsidiaries (so long as, in each case referred to in this sentence, any such requirement is made subject to compliance with the Indenture). Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Spectrum Brands to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that Spectrum Brands may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The term “Disqualified Stock” shall also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, prior to the date that is 91 days after the date on which the Notes mature.

“Domestic Subsidiary” means any Restricted Subsidiary of Spectrum Brands other than a Restricted Subsidiary that is (1) a “controlled foreign corporation” under Section 957 of the Internal Revenue Code or (2) a Subsidiary of any such controlled foreign corporation.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means a primary offering, after the Issue Date, of Qualified Stock of Spectrum Brands or of Holdings or any direct or indirect parent of Holdings (to the extent the proceeds thereof are contributed to the common equity of Spectrum Brands) other than an issuance registered on Form S-4 or S-8 or any successor thereto or any issuance pursuant to employee benefit plans or otherwise in compensation to officers, directors or employees.

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

“Existing Indebtedness” means the aggregate principal amount of Indebtedness of Spectrum Brands and its Subsidiaries (other than Indebtedness described in clauses (1) and (3) of the covenant described above under the caption “—Certain Covenants—Indebtedness”) in existence on the Issue Date, until such amounts are repaid.

“Existing Notes” means, collectively, (i) Spectrum Brands’ 6.75% Senior Notes due 2020 outstanding on the Issue Date, (ii) Spectrum Brands’ 6.375% Senior Notes due 2020 outstanding on the Issue Date, (iii) Spectrum Brands’ 6.625% Senior Notes due 2022 outstanding on the Issue Date and (iv) Spectrum Brands’ 6.125% Senior Notes due 2024 outstanding on the Issue Date.

“fair market value” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a resolution of the Board of Directors.

“Fixed Charge Coverage Ratio” means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In

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the event that the specified Person or any of its Subsidiaries incurs, assumes, Guarantees, repays, retires, extinguishes, repurchases or redeems any Indebtedness or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, retirement, extinguishment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) Investments or acquisitions and dispositions of business entities or property and assets constituting a division or line of business of any Person that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated on a pro forma basis, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, shall be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date; and

(4) consolidated interest expense attributable to interest on any Indebtedness (whether existing or being incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Calculation Date (taking into account any interest rate option, swap, cap or similar agreement applicable to such Indebtedness if such agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Spectrum Brands. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of Spectrum Brands as set forth in an officer's certificate, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable event.

"Fixed Charges" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made, received or accrued in connection with Hedging Obligations (but excluding unrealized gains or losses with respect thereto), but excluding (i) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (ii) any expensing of bridge, commitment and other financing fees, (iii) any redemption premiums, prepayment fees, or other charges or penalties incurred in connection with the Transactions or the Prior Transactions and (iv) any premiums, fees or other charges incurred in connection with the refinancing of the Existing Indebtedness on the Issue Date (in each case of (i) through (iv), to the extent included in any of the foregoing items listed in clause (1)); plus

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(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; plus

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; plus

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock or preferred stock of such Person or any of its Restricted Subsidiaries, other than (i) dividends on Equity Interests payable solely in Equity Interests of Spectrum Brands (other than Disqualified Stock) or (ii) dividends to Spectrum Brands or a Restricted Subsidiary of Spectrum Brands, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

Notwithstanding the foregoing, any additional charges arising from (i) the application of Accounting Standards Codification Topic 480-10-25-4 “Distinguishing Liabilities from Equity—Overall—Recognition” to any series of preferred stock other than Disqualified Equity Interests or (ii) the application of Accounting Standards Codification Topic 470-20 “Debt—Debt with Conversion Options—Recognition,” in each case, shall be disregarded in the calculation of Consolidated Fixed Charges.

“Foreign Subsidiary” means any Restricted Subsidiary of Spectrum Brands other than a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, the opinions and pronouncements of the Public Company Accounting Oversight Board and in the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on December 4, 2014.

“Guarantee “ means, as to any Person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another Person.

“Guarantors” means:

(1) Holdings and each direct or indirect Domestic Subsidiary of Spectrum Brands on the Issue Date; and

(2) any other subsidiary that executes a Note Guarantee in accordance with the provisions of the Indenture; and their respective successors and assigns until released from their obligations under their Note Guarantees and the Indenture in accordance with the terms of the Indenture.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and other agreements or arrangements designed for the purpose of managing interest rate risk;

(2) commodity swap agreements, commodity option agreements, forward contracts and other agreements or arrangements designed for the purpose of managing commodity price risk; and

(3) foreign exchange contracts, currency swap agreements and other agreements or arrangements designed for the purpose of managing foreign currency exchange rate risk.

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“incur” means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become directly or indirectly liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; provided that (1) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of Spectrum Brands will be deemed to be incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of Spectrum Brands and (2) neither the accrual of interest nor the accretion of original issue discount nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) shall be considered an incurrence of Indebtedness; provided that in each case the amount thereof is for all other purposes included in the Fixed Charges and Indebtedness of Spectrum Brands or its Restricted Subsidiary as accrued.

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof), but excluding obligations with respect to letters of credit (including trade letters of credit) securing obligations entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement);

(3) in respect of banker’s acceptances;

(4) in respect of Capital Lease Obligations;

(5) in respect of the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable;

(6) representing Hedging Obligations, other than Hedging Obligations that are incurred in the ordinary course of business for the purpose of fixing, hedging, swapping, managing interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder; or

(7) representing Disqualified Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends;

if and to the extent that any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP or, in the case of any earn-out obligation or purchase price adjustment, would have been recorded as a liability under GAAP prior to the adoption of Financial Accounting Standards Board Statement No. 141R. In addition, the term “Indebtedness” includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), provided that the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness, and (y) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person. For purposes hereof, the “maximum fixed repurchase price” of any Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price

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is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value shall be determined in good faith by the Board of Directors of the issuer of such Disqualified Stock.

The amount of any Indebtedness outstanding as of any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and shall be:

- (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and
- (2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness;

provided that Indebtedness shall not include:

- (i) any liability for federal, state, local or other taxes;
- (ii) performance, surety or appeal bonds provided in the ordinary course of business;

(iii) agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of Spectrum Brands or any of its Restricted Subsidiaries pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), so long as the principal amount does not exceed the gross proceeds actually received by Spectrum Brands or any Restricted Subsidiary in connection with such disposition; or

- (iv) deferred revenue.

“Investment Grade” means a rating of BBB- or higher by S&P and Baa3 or higher by Moody’s, or the equivalent of such ratings by another Rating Agency.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans or other extensions of credit (including Guarantees, but excluding advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of Spectrum Brands or its Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business), advances (excluding commission, travel, payroll and similar advances to officers and employees made consistent with past practices), capital contributions (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

If Spectrum Brands or any Restricted Subsidiary of Spectrum Brands sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of Spectrum Brands such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of Spectrum Brands, Spectrum Brands shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Investment in such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The acquisition by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands of a Person that holds an Investment in a third Person shall be deemed to be an Investment by Spectrum Brands or such Restricted Subsidiary in such third Person only if such Investment was made in contemplation of, or in connection with, the acquisition of such Person by Spectrum Brands or such Restricted Subsidiary and the amount of any such Investment shall be determined as provided in the final paragraph of the covenant described above under the caption “—Certain Covenants—Restricted Payments.”

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“Issue Date” means May 20, 2015, the date on which Notes were originally issued under the Indenture.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Moody’s” means Moody’s Investors Services, Inc. and its successors.

“Net Income” means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any sale of assets outside the ordinary course of business of such Person; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

“Net Proceeds” means the aggregate cash proceeds, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof) received by Spectrum Brands or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting, brokerage and investment banking fees, and sales commissions, and any relocation expenses incurred as a result thereof, (2) taxes paid or payable as a result thereof, in each case, after taking into account any available tax credits or deductions arising therefrom and any tax sharing arrangements in connection therewith, (3) amounts required to be applied to the repayment of Indebtedness or other liabilities, secured by a Lien on the asset or assets that were the subject of such Asset Sale, or required to be paid as a result of such sale, and (4) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

“New Term Loan Commitment Agreement” means the new term loan commitment agreement no. 2 among Holdings, Spectrum Brands, as lead borrower, the lenders party thereto and Deutsche Bank AG New York Branch, as agent, pursuant to which Spectrum Brands will incur term loans in an aggregate principal amount equal to €150 million.

“Note Guarantee” means the Guarantee by each Guarantor of Spectrum Brands’ payment obligations under the Indenture and on the Notes, executed pursuant to the Indenture.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Paying Agent” means an office or agency where Notes may be presented for payment.

“Permitted Business” means any business conducted or proposed to be conducted by Spectrum Brands and its Restricted Subsidiaries on the Issue Date and other businesses complementary, similar or reasonably related, ancillary or incidental thereto or reasonable extensions thereof.

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“Permitted Holders” means

(1) HRG Group, Inc.;

(2) any Affiliate of HRG Group, Inc., other than another portfolio company thereof (which means a company actively engaged in providing goods and services to unaffiliated customers) or a company controlled by a “portfolio company”; and

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 50% or more by Persons specified in clauses (1) and (2) or any group in which the Persons specified in clauses (1) and (2) own more than a majority of the voting power of the Voting Stock held by such group.

“Permitted Investments” means:

(1) any Investment in Spectrum Brands or in a Restricted Subsidiary of Spectrum Brands;

(2) any Investment in Cash Equivalents;

(3) any Investment by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of Spectrum Brands; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Spectrum Brands or a Restricted Subsidiary of Spectrum Brands;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale (including Designated Non-Cash Consideration) that was made pursuant to and in compliance with the covenant described above under the caption “—Repurchase at the Option of Holders—Asset Sales”;

(5) Hedging Obligations that are incurred in the ordinary course of business for the purpose of managing interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) stock, obligations or securities received in satisfaction of judgments;

(7) Investments in securities of trade debtors or customers received (x) pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or in good faith settlement of delinquent obligations of such trade debtors or customers or in compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates, (y) as a result of the foreclosure by Spectrum Brands or any Restricted Subsidiaries with respect to any secured Investment or other transfer of title, or (z) as a result of litigation, or other disputes with Persons who are not Affiliates;

(8) other Investments in any Person engaged in a Permitted Business having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (8) since the Issue Date, not to exceed the greater of (x) \$200.0 million and (y) 20% of Consolidated Cash Flow, in each case, net of any return of or on such Investment received by Spectrum Brands or a Restricted Subsidiary;

(9) Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment, or the licensing or contribution of intellectual property pursuant to joint marketing, joint development or similar arrangements with other Persons;

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(10) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business;

(11) Investments in prepaid expenses, negotiable instruments held for collection and lease and utility and worker's compensation deposits provided to third parties in the ordinary course of business; and

(12) Investments (other than in Restricted Subsidiaries) outstanding on the Issue Date or made pursuant to binding agreements in effect on the Issue Date, including any extension, modification or renewal of such Investments, to the extent not involving any additional Investment other than as the result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities;

(13) advances and loans to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of Spectrum Brands or any direct or indirect parent of Spectrum Brands;

(14) Investments in joint ventures having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause that are at the time outstanding, not to exceed \$100.0 million at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (14) is made in any Person that is not Spectrum Brands or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes Spectrum Brands or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (14) for so long as such Person continues to be Spectrum Brands or a Restricted Subsidiary; and

(15) Investments in Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause that are at the time outstanding, not to exceed \$100.0 million at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

"Permitted Liens" means:

(1) Liens securing Indebtedness incurred and then outstanding pursuant to clause (1) of paragraph (b) of "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and other Obligations in respect thereof;

(2) Liens in favor of Spectrum Brands or any Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with Spectrum Brands or any Restricted Subsidiary of Spectrum Brands; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with Spectrum Brands or the Restricted Subsidiary;

(4) Liens on property existing at the time of acquisition thereof by Spectrum Brands or any Restricted Subsidiary of Spectrum Brands, provided that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by Spectrum Brands or the Restricted Subsidiary;

(5) Liens existing on the Issue Date not otherwise permitted hereby;

(6) Liens securing Permitted Refinancing Indebtedness (other than in respect of Indebtedness referred to in clause (1)); provided that such Liens do not extend to any property or assets other than the property or assets that secure the Indebtedness being refinanced;

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(7) Liens incurred in the ordinary course of business of Spectrum Brands or any Restricted Subsidiary of Spectrum Brands with respect to obligations that do not exceed the greater of \$200 million or 20% of Consolidated Cash Flow;

(8) Liens on the assets of a Foreign Subsidiary securing Indebtedness of a Foreign Subsidiary that was permitted by the terms of the Indenture to be incurred;

(9) pledges or deposits under worker's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts or leases, or to secure public or statutory obligations, surety bonds, customs duties and the like, or for the payment of rent, in each case incurred in the ordinary course of business and not securing Indebtedness;

(10) Liens imposed by law, such as carriers', vendors', warehousemen's and mechanics' liens or other similar liens, in each case for sums not yet due or being contested in good faith and by appropriate proceedings;

(11) Liens in respect of taxes and other governmental assessments and charges which are not yet due or which are being contested in good faith and by appropriate proceedings;

(12) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof;

(13) (x) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or the ownership of its properties, not interfering in any material respect with the conduct of the business of Spectrum Brands and its Restricted Subsidiaries or (y) any zoning or similar law or right reserved to or vested in any governmental authority to control or regulate the use of any real property;

(14) licenses or leases or sublicenses or subleases as licensor, lessor, sublicensor or sublessor of any of its property, including intellectual property, in the ordinary course of business;

(15) customary Liens in favor of trustees and escrow agents, and netting and setoff rights, banker's liens and the like in favor of financial institutions and counterparties to financial obligations and instruments, including Hedging Agreements;

(16) Liens on assets pursuant to merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets;

(17) options, put and call arrangements, rights of first refusal and similar rights relating to Investments in joint ventures, partnerships and the like;

(18) judgment liens, and Liens securing appeal bonds or letters of credit issued in support of or in lieu of appeal bonds, so long as no Event of Default then exists as a result thereof;

(19) Liens incurred in the ordinary course of business not securing Indebtedness and not in the aggregate materially detracting from the value of the properties or their use in the operation of the business of Spectrum Brands and its Restricted Subsidiaries;

(20) Liens (including the interest of a lessor under a Capital Lease) on property that secure Indebtedness incurred under clause (4) of Permitted Debt for the purpose of financing all or any part of the purchase price or cost of construction or improvement of such property and which attach within 365 days after the date of such purchase or the completion of construction or improvement;

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(21) deposits in the ordinary course of business to secure liability to insurance carriers;

(22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(23) Liens consisting of contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Spectrum Brands or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Spectrum Brands and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of Spectrum Brands or any of its Restricted Subsidiaries in the ordinary course of business;

(24) Liens arising from financing statements filings under the Uniform Commercial Code or similar state laws regarding operating leases entered into by Spectrum Brands and its Restricted Subsidiaries in the ordinary course of business;

(25) Liens securing Cash Management Obligations and all Obligations under the Hedging Agreements owed to Persons that were agents and the lenders under the Revolving Credit Agreement or their affiliates at the time of entry into the agreements governing such obligations;

(26) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by Spectrum Brands and its subsidiaries in the ordinary course of business; and

(27) Liens created for the benefit of the Notes or the Note Guarantees with respect thereto.

“Permitted Refinancing Indebtedness” means any Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of Spectrum Brands or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest thereon and the amount of any reasonably determined premium necessary to accomplish such refinancing (including tender premiums) and such reasonable expenses, defeasance costs and fees incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes or such Note Guarantees on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) in no event may Indebtedness of Spectrum Brands or any Guarantor be refinanced by means of Indebtedness of a Restricted Subsidiary that is not a Guarantor.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

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“preferred stock” means, with respect to any Person, any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemption upon liquidation.

“Prior Transaction Expenses” means fees and expenses payable or otherwise borne by Spectrum Brands and its Restricted Subsidiaries in connection with the Prior Transactions and incurred before, on or about, the issue date of Spectrum Brands’ 6.125% Senior Notes due 2024 outstanding on the Issue Date, including the costs of legal and financial advisors to Spectrum Brands.

“Prior Transactions” means, collectively, (a) the execution, delivery and performance by Spectrum Brands and the other parties thereto of the New Term Loan Commitment Agreement and the making of the borrowings thereunder, (b) the issuance of Spectrum Brands’ 6.125% Senior Notes due 2024 outstanding on the Issue Date, and (c) the consummation of the acquisition of (i) Tell Manufacturing, Inc., (ii) Procter and Gamble’s European pet food business and (iii) Salix Animal Health, LLC.

“Qualified Equity Interests” means all Equity Interests of a person other than Disqualified Stock.

“Rating Agencies” means S&P and Moody’s; provided that if either S&P or Moody’s (or both) shall cease issuing a rating on the Notes for reasons outside the control of Spectrum Brands, Spectrum Brands may select a nationally recognized statistical rating agency to substitute for S&P or Moody’s (or both).

“Registrar” means an office or agency where Notes may be presented for registration of transfer or for exchange.

“Replacement Assets” means (1) non-current assets (other than securities of any Person) that will be used or useful in a Permitted Business or (2) all or substantially all of the assets of a Permitted Business or Voting Stock of any Person engaged in a Permitted Business that will become on the date of acquisition thereof a Restricted Subsidiary.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary. Unless the context otherwise requires, “Restricted Subsidiary” refers to a Restricted Subsidiary of Spectrum Brands.

“Revolving Credit Agreement” means the revolving credit agreement dated June 16, 2010 among Spectrum Brands, the lenders party thereto and Bank of America NA, as agent, together with any related documents (including any security documents and guarantees) as such agreement, in whole or in part, in one or more instances, may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing and including any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other institutional lenders)), including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities (including Additional Notes)), providing for revolving credit loans, term loans, letters of credit or other debt obligations, whether any such extension, replacement or refinancing (1) occurs simultaneously or not with the termination or repayment of a prior credit agreement or (2) occurs on one or more separate occasions.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc. and its successors.

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“Secured Leverage Ratio” means, on any date of determination (the “transaction date”), the ratio of (x) the aggregate amount of all Consolidated Total Indebtedness secured (or deemed secured pursuant to clause (1)(y) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and issuance of Preferred Stock”) by a Lien on an any asset of Spectrum Brands or any of its Restricted Subsidiaries (other than liens described in clauses (2), (8), (25) and (27) of the definition of “Permitted Liens”) of Spectrum Brands and its Restricted Subsidiaries, determined on a consolidated basis (with any Indebtedness incurred pursuant to clause (1)(y) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and issuance of Preferred Stock” deemed to be secured Indebtedness for this purpose in connection with any measurement of the Secured Leverage Ratio pursuant to such clause) minus the aggregate amount of unrestricted cash and Cash Equivalents owned by Spectrum Brands and its Restricted Subsidiaries on a consolidated basis to (y) the aggregate amount of Consolidated Cash Flow of Spectrum Brands and its Restricted Subsidiaries for the four fiscal quarters immediately prior to the transaction date for which internal financial statements are available in each case with such pro forma adjustments to Indebtedness and Consolidated Cash Flow as are consistent with the pro forma adjustment provisions of the Fixed Charges Coverage Ratio.

“Significant Subsidiary” means any Subsidiary that would constitute a “significant subsidiary” within the meaning of Article 1 of Regulation S-X of the Securities Act.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subsidiary” means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence 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 such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

“Term Loan Agreement” means the term loan credit agreement dated as of December 17, 2012, as amended pursuant to amendment no. 1 to credit agreement dated as of August 13, 2013, as further amended pursuant to new term loan commitment agreement no. 1 dated as of August 13, 2013 and effective as of September 4, 2013, as amended and restated pursuant to the restatement agreement dated as of December 18, 2013, as amended pursuant to amendment no. 2 to credit agreement dated as of January 31, 2014 and as further amended pursuant to the New Term Loan Commitment Agreement among Holdings, Spectrum Brands, as lead borrower, Spectrum Brands Canada, Inc. as Canadian borrower, Spectrum Brands Europe GmbH, as German borrower, the lenders party thereto and Deutsche Bank AG New York Branch, as agent, together with any related documents, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case as such term loan credit agreement, in whole or in part, in one or more instances, may be further amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing and including any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other institutional lenders)), including into one or more debt facilities, commercial paper facilities or other debt instruments, indentures or agreements (including by means of sales of debt securities (including Additional Notes) to

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institutional investors), providing for revolving credit loans, term loans, letters of credit or other debt obligations, whether any such extension, replacement or refinancing (1) occurs simultaneously or not with the termination or repayment of a prior term loan credit agreement or (2) occurs on one or more separate occasions.

“Transaction Expenses” means fees and expenses payable or otherwise borne by Spectrum Brands and its Restricted Subsidiaries in connection with the Transactions, including the costs of legal and financial advisors to Spectrum Brands.

“Transactions” means, collectively, (a) the issuance of the Notes, (b) the issuance by Spectrum Brands Holdings, Inc. of its common stock in the registered offer, which occurred on May 20, 2015 and (c) the consummation of the acquisition of Armored AutoGroup Parent Inc., which occurred on May 21, 2015.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to July 15, 2020; provided, however, that if the period from the redemption date to July 15, 2020 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Trustee” means the party named as such in the preamble to the Indenture until a successor replaces it in accordance with the Indenture and thereafter means the successor serving hereunder.

“Trust Indenture Act” means the Trust Indenture Act of 1939, as amended.

“Unrestricted Subsidiary” means any Subsidiary of Spectrum Brands that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors in compliance with the covenant described under the caption “—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries,” and any Subsidiary of such Subsidiary.

“Voting Stock” of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

“Wholly Owned” means, with respect to any Restricted Subsidiary, a Restricted Subsidiary all of the outstanding Capital Stock of which (other than any director’s qualifying shares) is owned by Spectrum Brands and one or more Wholly Owned Restricted Subsidiaries (or a combination thereof).

BOOK-ENTRY, DELIVERY AND FORM OF SECURITIES

Except as described below, we will initially issue the exchange notes in the form of one or more registered exchange notes in global form without coupons. We will deposit each global note on the date of the closing of this exchange offer with, or on behalf of, DTC in New York, New York, and register the exchange notes in the name of DTC, or its nominee, or will leave these notes in the custody of the trustee.

Depository Trust Company Procedures

For your convenience, we are providing you with a description of the operations and procedures of DTC, the Euroclear System (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”). These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We are not responsible for these operations and procedures and urge you to contact the system or its participants directly to discuss these matters.

DTC has advised us that it is a limited-purpose trust company created to hold securities for its participating organizations and to facilitate the clearance and settlement of transactions in those securities between its participants through electronic book entry changes in the accounts of these participants. These direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Access to DTC’s system is also indirectly available to other entities that clear through, or maintain, a direct or indirect, custodial relationship with a direct participant. DTC may hold securities beneficially owned by other persons only through its participants and the ownership interests and transfers of ownership interests of these other persons will be recorded only on the records of the participants and not on the records of DTC.

DTC has also advised us that, in accordance with its procedures, upon deposit of the global notes, it will credit the accounts of the direct participants with an interest in the global notes, and it will maintain records of the ownership interests of these direct participants in the global notes, and the transfer of ownership interests by and between direct participants.

DTC will not maintain records of the ownership interests of, or the transfer of ownership interests by and between, indirect participants or other owners of beneficial interests in the global notes. Both direct and indirect participants must maintain their own records of ownership interests of, and the transfer of ownership interests by and between, indirect participants and other owners of beneficial interests in the global notes.

Investors in the global notes may hold their interests in the notes directly through DTC if they are direct participants in DTC or indirectly through organizations that are direct participants in DTC. Investors in the global notes may also hold their interests in the notes through Euroclear and Clearstream if they are direct participants in those systems, or indirectly through organizations that are participants in those systems. Euroclear and Clearstream will hold omnibus positions in the global notes on behalf of the Euroclear participants and the Clearstream participants, respectively, through customers’ securities accounts in Euroclear’s and Clearstream’s names on the books of their respective depositories, which are Morgan Guaranty Trust Company of New York, Brussels office, as operator of Euroclear, and Citibank, N.A. and The Chase Manhattan Bank, N.A., as operators of Clearstream. These depositories, in turn, will hold these positions in their names on the books of DTC. All interests in a global note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of those systems.

The laws of some states require that some persons take physical delivery in definitive certificated form of the securities that they own. This may limit or curtail the ability to transfer beneficial interests in a global note to these persons. Because DTC can act only on behalf of direct participants, which in turn act on behalf of indirect participants and others, the ability of a person having a beneficial interest in a global note to pledge its interest to persons or entities that are not direct participants in DTC or to otherwise take actions in respect of its interest, may be affected by the lack of physical certificates evidencing the interests.

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Except as described below, owners of interests in the global notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form, and will not be considered the registered owners or holders of these notes under the indentures for any purpose.

Payments with respect to the principal of, and interest on, any notes represented by a global note registered in the name of DTC or its nominee on the applicable record date will be payable by the trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the global note representing these notes under the indentures. Under the terms of the indentures, we and the trustee will treat the person in whose names the notes are registered, including notes represented by global notes, as the owners of the notes for the purpose of receiving payments, and for any and all other purposes whatsoever. Payments in respect of the principal and interest on global notes registered in the name of DTC or its nominee will be payable by the trustee to DTC or its nominee as the registered holder under the indentures. Consequently, neither we, the trustee nor any of our agents, nor the trustee's agents, has or will have any responsibility or liability for:

- (1) any aspect of DTC's records or any direct or indirect participant's records relating to, or payments made on account of, beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any of DTC's records or any direct or indirect participant's records relating to the beneficial ownership interests in any global note, or
- (2) any other matter relating to the actions and practices of DTC or any of its direct or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes, including principal and interest, is to credit the accounts of the relevant participants with the payment on the payment date, in amounts proportionate to their respective holdings in the principal amount of beneficial interest in the security as shown on its records, unless it has reasons to believe that it will not receive payment on the payment date. Payments by the direct and indirect participants to the beneficial owners of interests in the global note will be governed by standing instructions and customary practice, and will be the responsibility of the direct or indirect participants, and will not be the responsibility of DTC, the trustee or us.

Neither we nor the trustee will be liable for any delay by DTC or any direct or indirect participant in identifying the beneficial owners of the notes and we and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the notes.

Transfers between participants in DTC will be effected in accordance with DTC procedures, and will be settled in same day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the global notes and only in respect of the portion of the aggregate principal amount of the notes as to which the participant or participants has or

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have given that direction. However, if there is an event of default with respect to the notes, DTC reserves the right to exchange the global notes for legended notes in certificated form and to distribute them to its participants.

Although DTC, Euroclear and Clearstream have agreed to these procedures to facilitate transfers of interests in the global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform these procedures and may discontinue them at any time. Neither we, the trustee, nor any of our or the trustee's respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their direct or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Book-Entry Notes for Certificated Notes

A global note will be exchangeable for definitive notes in registered certificated form if:

- (1) DTC has notified us that it is unwilling or unable to continue as Depository for a Global Note and a successor depository is not appointed by us within 90 days of the notice; or
- (2) an event of default under the applicable indenture for the notes has occurred and is continuing and the trustee has received a request from DTC.

In all cases, certificated notes delivered in exchange for any global note or beneficial interests in a global note will be registered in the name, and issued in any approved denominations, requested by or on behalf of DTC, in accordance with its customary procedures.

Exchange of Certificated Notes for Book-Entry Notes

Initial notes issued in certificated form may be exchanged for beneficial interests in the applicable global note.

Same Day Settlement

We expect that the interests in the global notes will be eligible to trade in DTC's Same-Day Funds Settlement System. As a result, secondary market trading activity in these interests will settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its participants. We expect that secondary trading in any certificated notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Payment

The indentures require that payments in respect of the notes represented by global notes, including principal and interest, be made by wire transfer of immediately available funds to the accounts specified by the holder of the global notes. With respect to notes in certificated form, we will make all payments of principal and interest on the notes at our office or agency maintained for that purpose within the city and state of New York. This office will initially be the office of the Paying Agent maintained for that purpose. At our option however, we may make these installments of interest by:

- (1) check mailed to the holders of notes at their respective addresses provided in the register of holder of notes; or
- (2) transfer to an account maintained by the payee.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

Subject to the limitations and qualifications set forth herein (including Exhibit 8.1 hereto), this discussion, insofar as it expresses conclusions as to the application of United States federal income tax law, is the opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, our U.S. federal income tax counsel. The following is a discussion of certain material U.S. federal income tax considerations relevant to the exchange of initial notes for exchange notes pursuant to the exchange offer and the ownership and disposition of exchange notes acquired by United States Holders and non-United States Holders (each as defined below and collectively referred to as “Holders”) pursuant to the exchange offer. This discussion does not purport to be a complete analysis of all potential tax effects. The discussion is based on the Code, U.S. Treasury regulations issued thereunder (“Treasury Regulations”), rulings and pronouncements of the Internal Revenue Service (the “IRS”) and judicial decisions in effect or in existence as of the date of this prospectus, all of which are subject to change at any time or to different interpretations. Any such change may be applied retroactively in a manner that could adversely affect a Holder and the continued validity of this summary. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to a Holder in light of such Holder’s particular circumstances (for example, United States Holders subject to the alternative minimum tax provisions of the Code) or to Holders subject to special rules, such as certain financial institutions, U.S. expatriates, partnerships or other pass-through entities, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities or currencies, traders in securities, Holders whose functional currency is not the U.S. dollar, tax-exempt organizations and persons holding the initial notes or exchange notes (collectively referred to as “notes”) as part of a “straddle,” “hedge” or conversion transaction within the meaning of Section 1258 of the Code or other integrated transaction within the meaning of Treasury Regulations Section 1.1275-6. Moreover, the effect of any applicable state, local or foreign tax laws, or U.S. federal gift and estate tax law is not discussed. The discussion deals only with notes held as “capital assets” within the meaning of Section 1221 of the Code.

We have not sought and will not seek any rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the exchange of initial notes for exchange notes pursuant to the exchange offer and ownership or disposition of the exchange notes acquired by Holders pursuant to the exchange offer or that any such position would not be sustained.

If an entity taxable as a partnership for U.S. federal income tax purposes holds the notes, the U.S. federal income tax treatment of a partner (or other owner) will depend on the status of the partner (or other owner) and the activities of the entity. Such partner (or other owner) is urged to consult its tax advisor as to the tax consequences of the entity’s purchasing, owning and disposing of the notes.

Prospective investors are urged to consult their own tax advisors with regard to the application of the tax consequences discussed below to their particular situations as well as the application of any state, local, foreign or other tax laws, including gift and estate tax laws.

United States Holders

This section applies to “United States Holders.” A United States Holder is a beneficial owner of notes that is:

- a citizen or resident alien of the United States as determined for U.S. federal income tax purposes,
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia,
- an estate the income of which is subject to U.S. federal income tax regardless of its source, or
- a trust (i) if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

Exchange Offer

Exchanging an initial note for an exchange note will not be treated as a taxable exchange for U.S. federal income tax purposes. Consequently, United States Holders will not recognize gain or loss upon receipt of an exchange note. The holding period for an exchange note will include the holding period for the initial note and the initial basis in an exchange note will be the same as the adjusted basis in the initial note.

Payments upon Change of Control or Other Circumstances

In certain circumstances we may be obligated to pay amounts in excess of stated interest or principal on the exchange notes, or to pay the full principal amount of some or all of the exchange notes before their stated maturity date. These features of the exchange notes may implicate the provisions of the Treasury Regulations governing “contingent payment debt instruments.” A debt instrument is not subject to these provisions, however, if, at the date of its issuance, there is only a “remote” chance that contingencies affecting the instrument’s yield to maturity will occur. We believe that the likelihood that we will be obligated to make such payments in amounts or at times that affect the exchange notes’ yield to maturity is remote, and we do not intend to treat the exchange notes as contingent payment debt instruments. Our determination that the contingencies giving rise to such payments are remote is binding on a United States Holder unless such United States Holder discloses its contrary position in the manner required by applicable Treasury Regulations. Our determination is not, however, binding on the IRS, and if the IRS were to challenge this determination, a United States Holder might be required to accrue income on its exchange notes in excess of stated interest and to treat as ordinary income rather than as capital gain any income realized on the taxable disposition of an exchange note before the resolution of the contingencies. The remainder of this summary assumes that the exchange notes will not be subject to the Treasury Regulations governing contingent payment debt instruments.

Interest

Qualified stated interest (“QSI”) on the exchange notes will be taxable to a United States Holder as ordinary income at the time it is received or accrued, in accordance with such United States Holder’s method of tax accounting. We expect the regular interest payments made on the exchange notes to be treated as QSI. An interest payment on a debt instrument is QSI if it is one of a series of stated interest payments on a debt instrument that are unconditionally payable at least annually at a single fixed rate, applied to the outstanding principal amount of the debt instrument.

Market Discount and Bond Premium

Market Discount. If a United States Holder purchased an initial note (which will be exchanged for an exchange note pursuant to the exchange offer) for an amount that is less than its “revised issue price,” the amount of the difference should be treated as market discount for U.S. federal income tax purposes. Any market discount applicable to an initial note should carry over to the exchange note received in exchange therefor. The amount of any market discount will be treated as de minimis and disregarded if it is less than one-quarter of one percent of the revised issue price of the initial note, multiplied by the number of complete years to maturity. For this purpose, the “revised issue price” of an initial note equals the issue price of the initial note. Although the Code does not expressly so provide, the revised issue price of the initial note is decreased by the amount of any payments previously made on the initial note (other than payments of QSI). The rules described below do not apply to a United States Holder if such holder purchased an initial note that has de minimis market discount.

Under the market discount rules, a United States Holder is required to treat any principal payment on, or any gain on the sale, exchange, redemption or other disposition of, an exchange note as ordinary income to the extent of any accrued market discount (on the initial note or the exchange note) that has not previously been included in income. If a United States Holder disposes of an exchange note in an otherwise nontaxable transaction (other than certain specified nonrecognition transactions), such holder will be required to include any accrued market

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discount as ordinary income as if such holder had sold the exchange note at its then fair market value. In addition, such holder may be required to defer, until the maturity of the exchange note or its earlier disposition in a taxable transaction, the deduction of a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the initial note or the exchange note received in exchange therefor.

Market discount accrues ratably during the period from the date on which such holder acquired the initial note through the maturity date of the exchange note (for which the initial note was exchanged), unless such holder makes an irrevocable election to accrue market discount under a constant yield method. Such holder may elect to include market discount in income currently as it accrues (either ratably or under the constant yield method), in which case the rule described above regarding deferral of interest deductions will not apply. If such holder elects to include market discount in income currently, such holder's adjusted basis in an exchange note will be increased by any market discount included in income. An election to include market discount currently will apply to all market discount obligations acquired during or after the first taxable year in which the election is made, and the election may not be revoked without the consent of the IRS.

Bond Premium. If a United States Holder purchased an initial note (which will be exchanged for an exchange note pursuant to the exchange offer) for an amount in excess of the sum of all amounts payable on the initial note (other than QSI), the excess will be treated as bond premium. Any bond premium applicable to an initial note should carry over to the exchange note received in exchange therefor. A United States Holder may elect to reduce the amount required to be included in income each year with respect to interest on its note by the amount of amortizable bond premium allocable to that year, based on the exchange note's yield to maturity. However, because the exchange notes may be redeemed by us prior to maturity at a premium, special rules apply that may reduce or eliminate the amount of premium that a U.S. Holder may amortize with respect to an exchange note. United States Holders are urged to consult their tax advisors about these special rules. If a United States Holder makes the election to amortize bond premium, it will apply to all debt instruments (other than debt instruments the interest on which is excludible from gross income) that the United States Holder holds at the beginning of the first taxable year to which the election applies or thereafter acquires, and the election may not be revoked without the consent of the IRS.

Sale or Other Taxable Disposition of the Exchange Notes

A United States Holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of an exchange note equal to the difference, if any, between the amount realized upon the disposition (less any portion allocable to any accrued and unpaid interest, which will be taxable as ordinary income to the extent not previously included in such holder's income) and the United States Holder's adjusted tax basis in the exchange note at the time of disposition. United States Holder's adjusted tax basis in an exchange note will be the price such holder paid for the initial note, (i) increased by any OID and market discount previously included in gross income and (ii) reduced (but not below zero) by the amount of any payments (other than QSI) and amortizable bond premium taken into account with respect to the exchange note.

This gain or loss will be a capital gain or loss (except to the extent of accrued interest not previously includible in income or to the extent the market discount rules require the recognition of ordinary income) and will be long-term capital gain or loss if the United States Holder has held the exchange note for more than one year. Otherwise, such gain or loss will be a short-term capital gain or loss. Long-term capital gains of non-corporate United States Holders, including individuals, are currently taxed at lower rates than items of ordinary income. The deductibility of capital losses is subject to limitations.

Medicare Contribution Tax on Unearned Income

Certain United States Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally will be required to pay an additional 3.8% tax on all or a portion of their "net investment income," which includes, among other things, interest income and capital gains attributable to the sale or other

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disposition of the notes, subject to certain limitations and exceptions. United States Holders are urged to consult their own tax advisors regarding the application of this additional tax.

Information Reporting and Backup Withholding

Information reporting requirements will apply to United States Holders that are not exempt recipients, such as corporations, with respect to certain payments of interest on the exchange notes and the proceeds of disposition (including a retirement or redemption of an exchange note). In addition, a United States Holder other than certain exempt recipients may be subject to “backup withholding” on the receipt of certain payments on the exchange notes if such holder:

- fails to provide a correct taxpayer identification number (“TIN”), which for an individual is ordinarily his or her social security number,
- is notified by the IRS that it is subject to backup withholding,
- fails to certify, under penalties of perjury, that it has furnished a correct TIN and that the IRS has not notified the United States Holder that it is subject to backup withholding, or
- otherwise fails to comply with applicable requirements of the backup withholding rules.

United States Holders are urged to consult their own tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax and taxpayers may use amounts withheld as a credit against their U.S. federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Non-United States Holders

This section applies to “non-United States Holders.” A non-United States Holder is a beneficial owner of notes that is not a United States Holder and that is an individual, corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), estate or trust.

Exchange Offer

Non-United States Holders should not recognize gain or loss upon receipt of an exchange note in exchange for an initial note pursuant to the exchange offer.

Interest Payments

Subject to the discussion below concerning effectively connected income and backup withholding, interest paid to a non-United States Holder on an exchange note will not be subject to U.S. federal income tax or withholding tax, provided that such non-United States Holder meets the following requirements:

- Such holder does not own, actually or constructively, for U.S. federal income tax purposes, stock constituting 10% or more of the total combined voting power of all classes of our stock entitled to vote.
- Such holder is not, for U.S. federal income tax purposes, a controlled foreign corporation related, directly or indirectly, to us through equity ownership.
- Such holder is not a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business.
- Such holder provides a properly completed IRS Form W-8BEN (or W-8BEN-E) certifying its non-U.S. status.

The gross amount of payments of interest that do not qualify for the exception from withholding described above will be subject to U.S. withholding tax at a rate of 30%, unless (i) such holder provides a properly

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completed IRS Form W-8BEN (or W-8BEN-E) claiming an exemption from or reduction in withholding under an applicable tax treaty, or (ii) such interest is effectively connected with such holder's conduct of a U.S. trade or business and such holder provides a properly completed IRS Form W-8ECI.

Sale or Other Taxable Disposition of the Exchange Notes

Subject to the discussion below concerning backup withholding, a non-United States Holder will not be subject to U.S. federal income tax or withholding tax on any gain recognized on the sale, exchange, redemption, retirement or other disposition of an exchange note unless:

- such holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case such holder will be subject to a 30% tax (or a lower applicable treaty rate) with respect to such gain (offset by certain U.S. source capital losses), or
- such gain is effectively connected with such holder's conduct of a trade or business in the United States, in which case such holder will be subject to tax as described below under "Effectively Connected Income."

Any amounts in respect of accrued interest recognized on the sale or exchange of an exchange note will not be subject to U.S. federal withholding tax, unless the sale or exchange is part of a plan the principal purpose of which is to avoid tax and the withholding agent has actual knowledge or reason to know of such plan.

Effectively Connected Income

If interest or gain from a disposition of the exchange notes is effectively connected with a non-United States Holder's conduct of a U.S. trade or business, such holder will be subject to U.S. federal income tax on the interest or gain on a net income basis in the same manner as if such holder were a United States Holder, unless an applicable income tax treaty provides otherwise. The interest or gain in respect of the exchange notes would be exempt from U.S. withholding tax if such holder claims the exemption by providing a properly completed IRS Form W-8ECI. In addition, if such holder is a foreign corporation, such holder may also be subject to a branch profits tax on its effectively connected earnings and profits for the taxable year, subject to certain adjustments, at a rate of 30% unless reduced or eliminated by an applicable tax treaty.

Information Reporting and Backup Withholding

Unless certain exceptions apply, we or another withholding agent must report to the IRS and to a non-United States Holder any payments to such holder in respect of interest during the taxable year. Under current U.S. federal income tax law, backup withholding tax will not apply to payments of interest by us or our paying agent on an exchange note to a non-United States Holder, if such holder provides us with a properly completed IRS Form W-8BEN (or W-8BEN-E), provided that we or our paying agent, as the case may be, do not have actual knowledge or reason to know that such holder is a U.S. person.

Payments pursuant to the sale, exchange or other disposition of exchange notes, made to or through a foreign office of a foreign broker, other than payments in respect of interest, will not be subject to information reporting and backup withholding; provided that information reporting may apply if the foreign broker has certain connections to the United States, unless the beneficial owner of the exchange note certifies, under penalties of perjury, that it is not a U.S. person, or otherwise establishes an exemption. Payments made to or through a foreign office of a U.S. broker will not be subject to backup withholding, but are subject to information reporting unless the beneficial owner of the exchange note certifies, under penalties of perjury, that it is not a U.S. person, or otherwise establishes an exemption. Payments to or through a U.S. office of a broker, however, are subject to information reporting and backup withholding, unless the beneficial owner of the exchange notes certifies, under penalties of perjury, that it is not a U.S. person, or otherwise establishes an exemption.

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Backup withholding is not an additional tax; any amounts withheld from a payment to a non-United States Holder under the backup withholding rules will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS. Non-United States Holders should consult their own tax advisors regarding application of withholding and backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from withholding and backup withholding under current Treasury Regulations.

FATCA

Pursuant to Sections 1471 through 1474 of the Code, applicable Treasury Regulations, other official guidance and intergovernmental agreements entered into in respect of the foregoing, (together, commonly referred to as "FATCA"), "foreign financial institutions" (which include most non-U.S. hedge funds, private equity funds, mutual funds, securitization vehicles and any other investment vehicles) and certain other non-U.S. entities must comply with information reporting rules with respect to their U.S. account holders and investors or confront a withholding tax on U.S.-source payments made to them (whether received as a beneficial owner or as an intermediary for another party). More specifically, a foreign financial institution or other non-U.S. entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any "withholdable payments." For this purpose, withholdable payments generally will include interest on the notes) and the gross proceeds from the sale or other disposition of the notes. In the case of any such gross proceeds, the withholding requirements will apply only to dispositions occurring after December 31, 2016. The FATCA withholding tax will apply even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is portfolio interest). Non-U.S. Holders are urged to consult their tax advisors regarding the effect, if any, of the FATCA provisions on them based on their particular circumstances.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account, pursuant to the exchange offer, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until _____, _____, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account, pursuant to the exchange offer, may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such exchange notes may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of exchange notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver, and by delivering, a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period of 180 days after the expiration date, we will promptly send additional copies of this prospectus, and any amendment or supplement to this prospectus, to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for the holders of the notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York will pass on the validity of the exchange notes and guarantees offered hereby. Barnes & Thornburg LLP will pass on matters of Pennsylvania law. Thompson Coburn LLP will pass on matters of Missouri law. Quarles & Brady LLP will pass on matters of Florida Law.

EXPERTS

The consolidated financial statements and schedule II of SB/RH Holdings, LLC and subsidiaries as of September 30, 2014 and 2013 and for each of the years in the three-year period ended September 30, 2014 have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Armored AutoGroup Parent Inc. as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, appearing elsewhere in this Prospectus and Registration Statement, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-4 to register the exchange notes. This prospectus, which forms part of the registration statement, does not contain all of the information included in that registration statement. For further information about us and the exchange notes offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any document we file with the SEC at the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. Copies of these reports, proxy statements and information that we file with the SEC may be obtained at prescribed rates from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. In addition, the SEC maintains a web site that contains reports, proxy statements and other information regarding registrants, such as SB/RH Holdings, that file electronically with the SEC. The address of this web site is <http://www.sec.gov>.

Anyone who receives a copy of this prospectus may obtain a copy of the indentures without charge by writing to Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562.

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Report of Independent Registered Public Accounting Firm

The Board of Directors
SB/RH Holdings, LLC:

We have audited the accompanying consolidated statements of financial position of SB/RH Holdings, LLC and subsidiaries (the Company) as of September 30, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended September 30, 2014. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule II. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SB/RH Holdings, LLC and subsidiaries as of September 30, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2014, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Milwaukee, Wisconsin
November 21, 2014

SB/RH HOLDINGS, LLC
Consolidated Statements of Financial Position
September 30, 2014 and September 30, 2013
(Amounts in thousands)

	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 192,891	\$ 198,219
Receivables:		
Trade accounts receivable, net of allowances \$48,641 and \$37,376, respectively	439,038	481,313
Other	76,327	67,081
Inventories	624,535	632,923
Deferred income taxes	36,708	32,959
Prepaid expenses and other	63,446	62,781
Total current assets	1,432,945	1,475,276
Property, plant and equipment, net	428,877	412,551
Deferred charges and other	37,279	26,050
Goodwill	1,469,561	1,476,672
Intangible assets, net	2,091,539	2,163,166
Debt issuance costs	51,147	65,329
Total assets	<u>\$ 5,511,348</u>	<u>\$ 5,619,044</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term debt	\$ 112,556	\$ 102,921
Accounts payable	519,733	525,519
Accrued liabilities:		
Wages and benefits	88,064	82,056
Income taxes payable	18,544	32,613
Accrued interest	35,429	36,731
Other	156,306	171,074
Total current liabilities	930,632	950,914
Long-term debt, net of current maturities	2,894,137	3,115,942
Employee benefit obligations, net of current portion	81,964	96,612
Deferred income taxes	513,204	492,774
Other	21,190	28,879
Total liabilities	4,441,127	4,685,121
Commitments and contingencies		
Shareholders' equity:		
Other capital	1,413,801	1,393,124
Accumulated deficit	(329,976)	(469,886)
Accumulated other comprehensive loss	(63,074)	(38,521)
Total shareholders' equity	1,020,751	884,717
Noncontrolling interest	49,470	49,206
Total equity	<u>1,070,221</u>	<u>933,923</u>
Total liabilities and equity	<u>\$ 5,511,348</u>	<u>\$ 5,619,044</u>

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

SB/RH HOLDINGS, LLC
Consolidated Statements of Operations
Years ended September 30, 2014, 2013 and 2012
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net sales	\$4,429,109	\$4,085,581	\$3,252,435
Cost of goods sold	2,856,527	2,685,285	2,126,922
Restructuring and related charges	3,713	9,984	9,835
Gross profit	1,568,869	1,390,312	1,115,678
Selling	678,152	636,958	521,191
General and administrative	319,064	284,673	214,522
Research and development	47,855	43,334	33,087
Acquisition and integration related charges	20,102	48,445	31,066
Restructuring and related charges	19,182	24,028	9,756
Total operating expenses	1,084,355	1,037,438	809,622
Operating income	484,514	352,874	306,056
Interest expense	202,118	369,519	191,998
Other expense, net	6,286	3,506	878
Income (loss) from continuing operations before income taxes	276,110	(20,151)	113,180
Income tax expense	59,023	27,359	60,385
Net income (loss)	217,087	(47,510)	52,795
Less: Net income (loss) attributable to non-controlling interest	325	(140)	—
Net income (loss) attributable to controlling interest	<u>\$ 216,762</u>	<u>\$ (47,370)</u>	<u>\$ 52,795</u>

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

SB/RH HOLDINGS, LLC
Consolidated Statements of Comprehensive Income (Loss)
Years ended September 30, 2014, 2013 and 2012
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net income (loss)	\$217,087	\$(47,510)	\$ 52,795
Other comprehensive loss, net of tax:			
Foreign currency translation loss	(32,528)	(6,622)	(8,602)
Unrealized gain (loss) on derivative hedging instruments	11,531	(2,509)	1,545
Defined benefit pension gain (loss)	(3,617)	4,248	(11,932)
Other comprehensive loss, net of tax	<u>(24,614)</u>	<u>(4,883)</u>	<u>(18,989)</u>
Comprehensive income (loss)	192,473	(52,393)	33,806
Less: Comprehensive income attributable to non-controlling interest	<u>347</u>	<u>63</u>	<u>—</u>
Comprehensive income (loss) attributable to controlling interest	<u>\$192,126</u>	<u>\$(52,456)</u>	<u>\$ 33,806</u>

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

SB/RH HOLDINGS, LLC
Consolidated Statements of Shareholders' Equity
Years ended September 30, 2014, 2013 and 2012
(In thousands)

	Additional Paid- in/Other Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss), net of tax	Total Shareholders' Equity	Non- controlling Interest	Total Equity
Balances at September 30, 2011	\$1,338,734	\$ (335,166)	\$ (14,446)	\$ 989,122	\$ —	\$ 989,122
Net income	—	52,795	—	52,795	—	52,795
Other comprehensive loss	—	—	(18,989)	(18,989)	—	(18,989)
Vesting of restricted stock units	25,208	—	—	25,208	—	25,208
Restricted stock units surrendered	(3,996)	—	—	(3,996)	—	(3,996)
Amortization of unearned compensation	—	(51,450)	—	(51,450)	—	(51,450)
Balances at September 30, 2012	\$1,359,946	\$ (333,821)	\$ (33,435)	\$ 992,690	\$ —	\$ 992,690
Net loss	—	(47,370)	—	(47,370)	(140)	(47,510)
Other comprehensive income (loss)	—	—	(5,086)	(5,086)	203	(4,883)
Contribution from parent	28,562	—	—	28,562	—	28,562
Amortization of unearned compensation	30,775	—	—	30,775	—	30,775
Restricted stock units surrendered	(20,050)	—	—	(20,050)	—	(20,050)
Dividends declared	—	(88,695)	—	(88,695)	—	(88,695)
Parent ownership interest—Shaser	(6,109)	—	—	(6,109)	—	(6,109)
Noncontrolling interest	—	—	—	—	49,143	49,143
Balances at September 30, 2013	\$1,393,124	\$ (469,886)	\$ (38,521)	\$ 884,717	\$ 49,206	\$ 933,923
Net income	—	216,762	—	216,762	325	217,087
Other comprehensive loss	—	—	(24,553)	(24,553)	(61)	(24,614)
Amortization of unearned compensation	45,670	—	—	45,670	—	45,670
Restricted stock units surrendered	(24,993)	—	—	(24,993)	—	(24,993)
Dividends declared	—	(76,852)	—	(76,852)	—	(76,852)
Balances at September 30, 2014	<u>\$1,413,801</u>	<u>\$ (329,976)</u>	<u>\$ (63,074)</u>	<u>\$ 1,020,751</u>	<u>\$ 49,470</u>	<u>\$1,070,221</u>

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

SB/RH HOLDINGS, LLC
Consolidated Statements of Cash Flows
Years ended September 30, 2014, 2013 and 2012
(Amounts in thousands)

	2014	2013	2012
Cash flows from operating activities:			
Net income (loss)	\$ 217,087	\$ (47,510)	\$ 52,795
Adjustments to reconcile net income (loss) to net cash used by operating activities, net of effects of acquisitions:			
Depreciation	75,902	62,114	40,950
Amortization of intangibles	81,728	77,779	63,666
Amortization of unearned restricted stock compensation	44,903	43,098	25,208
Amortization of debt issuance costs	12,796	13,241	9,922
Non-cash increase to cost of goods sold due to HHI acquisition inventory step up	—	31,000	—
Write off unamortized discount / (premium) on retired debt	2,821	(5,178)	(466)
Write off of debt issuance costs	6,395	21,574	2,946
Non-cash restructuring and related charges	9,187	23,245	5,195
Non-cash debt accretion	3,123	2,482	722
Note retirement tender, call premium and related costs	—	111,307	25,400
Changes in assets and liabilities, net of effects of acquisitions:			
Accounts receivable	32,522	(62,316)	16,498
Inventories	10,575	(2,707)	(11,642)
Prepaid expenses and other current assets	705	(3,727)	561
Accounts payable and accrued liabilities	(35,946)	(621)	5,360
Deferred taxes	1,929	(21,655)	22,633
Other changes in assets and liabilities	(29,032)	16,047	(7,082)
Net cash provided by operating activities	434,695	258,173	252,666
Cash flows from investing activities:			
Purchases of property, plant and equipment	(73,347)	(81,976)	(46,809)
Acquisition of Liquid Fence, net of cash acquired	(27,629)	—	—
Acquisition of Shaser, net of cash acquired	—	(42,561)	—
Acquisition of the HHI Business, net of cash acquired	—	(1,351,008)	—
Acquisition of Black Flag	—	—	(43,750)
Acquisition of FURminator, net of cash acquired	—	—	(139,390)
Proceeds from sales of property, plant and equipment	9,203	203	500
Other investing activities	(1,788)	(1,382)	(2,045)
Net cash used by investing activities	(93,561)	(1,476,724)	(231,494)
Cash flows from financing activities:			
Proceeds from issuance of Term Loan, net of discount	523,658	1,936,250	—
Proceeds from issuance of 6.375% Notes	—	520,000	—
Proceeds from issuance of 6.625% Notes	—	570,000	—
Payment of senior credit facilities, excluding ABL revolving credit facility	(764,874)	(571,093)	(155,061)
Payment of 9.5% Notes, including tender and call premium	—	(1,061,307)	—
Proceeds from issuance of 6.75% Notes	—	—	300,000
Payment of 12% Notes, including tender and call premium	—	—	(270,431)
Proceeds from issuance of 9.5% Notes, including premium	—	—	217,000
Debt issuance costs	(5,411)	(60,850)	(11,231)
Other debt financing, net	16,377	11,941	392
Reduction of other debt	(6,030)	(1,251)	(29,112)
Capital contribution from parent	—	28,562	—
Cash dividends paid to parent	(76,951)	(88,695)	(51,450)
Share based payment tax withholding payments	(24,972)	(20,141)	(3,936)
Other financing activities	—	—	(953)
Net cash provided (used) by financing activities	(338,203)	1,263,416	(4,782)
Effect of exchange rate changes on cash and cash equivalents due to Venezuela devaluation	—	(1,871)	—
Effect of exchange rate changes on cash and cash equivalents	(8,259)	(2,647)	(932)
Net increase (decrease) in cash and cash equivalents	(5,328)	40,347	15,458
Cash and cash equivalents, beginning of period	198,219	157,872	142,414
Cash and cash equivalents, end of period	<u>\$ 192,891</u>	<u>\$ 198,219</u>	<u>\$ 157,872</u>
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 178,652	\$ 336,798	\$ 185,634
Cash paid for taxes	\$ 80,702	\$ 49,638	\$ 39,173

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

SB/RH HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands)

(1) DESCRIPTION OF BUSINESS

SB/RH Holdings, LLC, a Delaware corporation (“Spectrum Brands” or the “Company”), is a diversified global branded consumer products company. SB/RH Holdings, LLC is a wholly owned subsidiary of Spectrum Brands Holdings, Inc. (“SB Holdings”). SB Holdings’ common stock trades on the New York Stock Exchange (the “NYSE”) under the symbol “SPB.”

The Company’s operations include the worldwide manufacturing and marketing of alkaline, zinc carbon and hearing aid batteries, as well as aquariums and aquatic health supplies and the designing and marketing of rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. The Company’s operations also include the manufacturing and marketing of specialty pet supplies. The Company also manufactures and markets herbicides, insecticides and insect repellents in North America. The Company also designs, markets and distributes a broad range of branded small appliances and personal care products. The Company also designs, markets, distributes and sells certain hardware, home improvement and plumbing products. The Company’s operations utilize manufacturing and product development facilities located in the United States (“U.S.”), Europe, Latin America and Asia.

The Company sells its products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers and enjoys name recognition in its markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature’s Miracle, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley and Pfister brands.

The Company’s global branded consumer products have positions in seven major product categories: consumer batteries; small appliances; pet supplies; electric shaving and grooming; electric personal care; home and garden; and hardware and home improvement.

The Company manages the businesses in four vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company’s worldwide battery, electric shaving and grooming, electric personal care and small appliances primarily in the kitchen and home product categories (“Global Batteries & Appliances”); (ii) Global Pet Supplies, which consists of the Company’s worldwide pet supplies business (“Global Pet Supplies”); (iii) Home and Garden, which consists of the Company’s home and garden and insect control business (“Home and Garden”); and (iv) Hardware & Home Improvement, which consists of the Company’s worldwide hardware, home improvement and plumbing business (“Hardware & Home Improvement”). Management reviews the performance of the Company based on these segments, which also reflect the manner in which the Company’s management monitors performance and allocates resources. For information pertaining to our business segments, see Note 11, “Segment Information.”

(2) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Principles of Consolidation and Fiscal Year End

The consolidated financial statements include the financial statements of Spectrum Brands and its majority owned subsidiaries and have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). All intercompany transactions have been eliminated. The Company’s fiscal year ends September 30. References herein to Fiscal 2014, Fiscal 2013 and Fiscal 2012 refer to the fiscal years ended September 30, 2014, 2013 and 2012, respectively.

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(b) Revenue Recognition

The Company recognizes revenue from product sales generally upon delivery to the customer, or at the shipping point in situations where the customer picks up the product or where delivery terms so stipulate. This represents the point at which title and all risks and rewards of ownership of the product are passed, provided that: there are no uncertainties regarding customer acceptance, there is persuasive evidence that an arrangement exists, the price to the buyer is fixed or determinable and ability to collect is deemed reasonably assured. The Company is generally not obligated to allow for, and its general policy is not to accept, product returns for battery sales. The Company does accept returns in specific instances related to its shaving, grooming, personal care, home and garden, small appliances, hardware and home improvement and pet products. The provision for customer returns is based on historical sales and returns and other relevant information. The Company estimates and accrues the cost of returns, which are treated as a reduction of Net sales.

The Company enters into various promotional arrangements, primarily with retail customers, including arrangements entitling such retailers to cash rebates from the Company based on the level of their purchases, which require the Company to estimate and accrue the estimated costs of the promotional programs. These costs are treated as a reduction of Net sales.

The Company also enters into promotional arrangements that target the ultimate consumer. The costs associated with such arrangements are treated as either a reduction in Net sales or an increase in Cost of goods sold, based on the type of promotional program. The income statement presentation of the Company's promotional arrangements complies with Accounting Standards Codification ("ASC") Topic 605: "Revenue Recognition." For all types of promotional arrangements and programs, the Company monitors its commitments and uses various measures, including past experience, to determine amounts to be recorded for the estimate of the earned, but unpaid, promotional costs. The terms of the Company's customer-related promotional arrangements and programs are tailored to each customer and are documented through written contracts, correspondence or other communications with the individual customers.

The Company also enters into various arrangements, primarily with retail customers, which require the Company to make upfront cash, or "slotting" payments, in order to secure the right to distribute through such customers. The Company capitalizes slotting payments provided the payments are supported by a time or volume based arrangement with the retailer, and amortizes the associated payment over the appropriate time or volume-based term of the arrangement. The amortization of slotting payments is treated as a reduction in Net sales and a corresponding asset is reported in Deferred charges and other in the accompanying Consolidated Statements of Financial Position.

(c) Use of Estimates

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

(d) Cash Equivalents

For purposes of the accompanying Consolidated Statements of Financial Position and Consolidated Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

(e) Concentrations of Credit Risk and Major Customers

Trade receivables subject the Company to credit risk. Trade accounts receivable are carried at net realizable value. The Company extends credit to its customers based upon an evaluation of the customer's financial

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condition and credit history, but generally does not require collateral. The Company monitors its customers' credit and financial condition based on changing economic conditions and will make adjustments to credit policies as required. Provisions for losses on uncollectible trade receivables are determined based on ongoing evaluations of the Company's receivables, principally on the basis of historical collection experience and evaluations of the risks of nonpayment for a given customer.

The Company has a broad range of customers including many large retail outlet chains, one of which accounts for a significant percentage of its sales volume. This major customer represented approximately 16%, 18% and 23% of the Company's Net sales during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. This major customer also represented approximately 14% and 11% of the Company's Trade accounts receivable, net as of September 30, 2014 and September 30, 2013, respectively.

Approximately 40%, 41% and 46% of the Company's Net sales during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively, occurred outside of the United States. These sales and related receivables are subject to varying degrees of credit, currency and political and economic risk. The Company monitors these risks and makes appropriate provisions for ability to collect based on an assessment of the risks present.

(f) Displays and Fixtures

Temporary displays are generally disposable cardboard displays shipped to customers to facilitate display of the Company's products. Temporary displays are generally disposed of after a single use by the customer.

Permanent fixtures are more lasting in nature, are generally made from wire or other longer-lived materials, and are shipped to customers for use in displaying the Company's products. These permanent fixtures are restocked with the Company's product multiple times over the fixture's useful life.

The costs of both temporary and permanent displays are capitalized as a prepaid asset until shipped to the customer and are included in Prepaid expenses and other in the accompanying Consolidated Statements of Financial Position. The costs of temporary displays are expensed in the period in which they are shipped to customers and the costs of permanent fixtures are amortized over an estimated useful life of one to two years from the date they are shipped to customers. The unamortized cost of permanent fixtures is reflected in Deferred charges and other in the accompanying Consolidated Statements of Financial Position.

(g) Inventories

The Company's inventories are valued at the lower of cost or net realizable value. Cost of inventories is determined using the first-in, first-out (FIFO) method.

(h) Property, Plant and Equipment

Property, plant and equipment are recorded at cost or at fair value if acquired in a purchase business combination. Depreciation on plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Depreciable lives by major classification are as follows:

Building and improvements	20 - 40 years
Machinery, equipment and other	2 - 15 years

Plant and equipment held under capital leases are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset; such amortization is included in depreciation expense.

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company evaluates recoverability of

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assets to be held and used by comparing the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(i) Intangible Assets

Intangible assets are recorded at cost or at fair value if acquired in a purchase business combination. Customer lists, proprietary technology and certain trade name intangibles are amortized, using the straight-line method, over their estimated useful lives of up to 20 years. The excess of the fair value of the consideration transferred in a business combination over the fair value of net assets acquired (goodwill) and indefinite-lived intangible assets (certain trade name intangibles) are not amortized. Goodwill is tested for impairment at least annually at the reporting unit level, with such groupings being consistent with the Company's reportable segments. If impairment is indicated, a write-down to fair value (normally measured by discounting estimated future cash flows) is recorded. Indefinite-lived trade name intangibles are tested for impairment at least annually by comparing the fair value, determined using a relief from royalty methodology, with the carrying value. Any excess of carrying value over fair value is recognized as an impairment loss in income from operations.

ASC Topic 350: "Intangibles-Goodwill and Other," ("ASC 350") requires that goodwill and indefinite-lived intangible assets be tested for impairment annually, or more often if an event or circumstance indicates that an impairment loss may have been incurred. The Company's management uses its judgment in assessing whether assets may have become impaired between annual impairment tests. Indicators such as unexpected adverse business conditions, economic factors, unanticipated technological change or competitive activities, loss of key personnel and acts by governments and courts may signal that an asset has become impaired.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company's goodwill and trade name intangibles were tested for impairment as of the Company's August financial period end, the Company's annual testing date.

Intangibles with Indefinite Lives

In accordance with ASC 350, the Company conducts impairment testing on the Company's goodwill. To determine fair value during Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company used the discounted estimated future cash flows methodology. Assumptions critical to the Company's fair value estimates under the discounted estimated future cash flows methodology are: (i) the present value factors used in determining the fair value of the reporting units and trade names, (ii) projected average revenue growth rates used in estimating future cash flows for the reporting unit, and (iii) projected long-term growth rates used in the derivation of terminal year values. These and other assumptions are impacted by economic conditions and expectations of management and will change in the future based on period specific facts and circumstances. The Company also tested the aggregate estimated fair value of its reporting units for reasonableness by comparison to the total market capitalization of the Company, which includes both its equity and debt securities.

In addition, in accordance with ASC 350, as part of the Company's annual impairment testing, the Company tested its indefinite-lived trade name intangible assets for impairment by comparing the carrying amount of such trade names to their respective fair values. Fair value was determined using a relief from royalty methodology. Assumptions critical to the Company's fair value estimates under the relief from royalty methodology are: (i) royalty rates, (ii) projected average revenue growth rates, and (iii) applicable discount rates.

In connection with the Company's annual goodwill impairment testing performed during Fiscal 2014, Fiscal 2013 and Fiscal 2012, the first step of such testing indicated that the fair value of the Company's reporting segments were in excess of their carrying amounts and, accordingly, no further testing of goodwill was required.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company concluded that the fair value of its intangible assets exceeded their carrying value.

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Intangibles with Definite or Estimable Useful Lives

The Company assesses the recoverability of intangible assets with definite or estimable useful lives whenever an event or circumstance occurs that indicates an impairment loss may have been incurred. The Company assesses the recoverability of these intangible assets by determining whether their carrying value can be recovered through projected undiscounted future cash flows. If projected undiscounted future cash flows indicate that the carrying value of the assets will not be recovered, an adjustment would be made to reduce the carrying value to an amount equal to estimated fair value determined based on projected future cash flows discounted at the Company's incremental borrowing rate. The cash flow projections used in estimating fair value are based on historical performance and management's estimate of future performance, giving consideration to existing and anticipated competitive and economic conditions.

Impairment reviews are conducted at the judgment of management when it believes that a change in circumstances in the business or external factors warrants a review. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset is being used, a history of operating or cash flow losses, or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review.

The fair values of our Global Batteries & Appliances, Hardware & Home Improvement, Global Pet Supplies and the Home and Garden Business exceeded their carrying values by 87%, 47%, 80% and 146%, respectively, as of the date of the Company's latest annual impairment testing.

(j) Debt Issuance Costs

Debt issuance costs are capitalized and amortized to interest expense using the effective interest method over the lives of the related debt agreements.

(k) Accounts Payable

Included in accounts payable are book overdrafts, net of deposits on hand, on disbursement accounts that are replenished when checks are presented for payment.

(l) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in income tax expense in the period in which the change in judgment occurs. Accrued interest expense and penalties related to uncertain tax positions are recorded in Income tax expense.

(m) Foreign Currency Translation

Local currencies are considered the functional currencies for most of the Company's operations outside the United States. Assets and liabilities of the Company's foreign subsidiaries are translated at the rate of exchange

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existing at year-end, with revenues, expenses and cash flows translated at the average of the monthly exchange rates. Adjustments resulting from translation of the financial statements are recorded as a component of Accumulated other comprehensive income (loss) ("AOCI"). Also included in AOCI are the effects of exchange rate changes on intercompany balances of a long-term nature.

As of September 30, 2014 and September 30, 2013, accumulated (losses) gains related to foreign currency translation adjustments of \$(39,517) and \$(7,050), respectively, were reflected in the accompanying Consolidated Statements of Financial Position in AOCI.

Foreign currency transaction gains and losses related to assets and liabilities that are denominated in a currency other than the functional currency are reported in the Consolidated Statements of Operations in the period they occur. Exchange losses on foreign currency transactions aggregating \$6,775, \$9,388 and \$1,654 for Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively, are included in Other expense, net, in the accompanying Consolidated Statements of Operations.

(n) Shipping and Handling Costs

The Company incurred shipping and handling costs of \$260,321, \$246,090 and \$198,152 during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. Shipping and handling costs, which are included in Selling expenses in the accompanying Consolidated Statements of Operations, include costs incurred with third-party carriers to transport products to customers and salaries and overhead costs related to activities to prepare the Company's products for shipment at the Company's distribution facilities.

(o) Advertising Costs

The Company incurred advertising costs of \$21,356, \$22,971 and \$20,706 during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. Such advertising costs are included in Selling expenses in the accompanying Consolidated Statements of Operations and include agency fees and other costs to create advertisements, as well as costs paid to third parties to print or broadcast the Company's advertisements.

(p) Research and Development Costs

Research and development costs are charged to expense in the period they are incurred.

(q) Environmental Expenditures

Environmental expenditures that relate to current ongoing operations or to conditions caused by past operations are expensed or capitalized as appropriate. The Company determines its liability for environmental matters on a site-by-site basis and records a liability at the time when it is probable that a liability has been incurred and such liability can be reasonably estimated. The estimated liability is not reduced for possible recoveries from insurance carriers. Estimated environmental remediation expenditures are included in the determination of the net realizable value recorded for assets held for sale.

(r) Comprehensive Income (Loss)

Comprehensive income (loss) includes foreign currency translation gains and losses on assets and liabilities of foreign subsidiaries, effects of exchange rate changes on intercompany balances of a long-term nature and transactions designated as a hedge of a net investment in a foreign subsidiary, deferred gains and losses on derivative financial instruments designated as cash flow hedges and amortization of deferred gains and losses associated with the Company's pension plans. The foreign currency translation gains and losses for Fiscal 2014, Fiscal 2013 and Fiscal 2012 were primarily attributable to the impact of translation of the net assets of the Company's European and Latin American operations, which primarily have functional currencies in Euros, Pounds Sterling, Mexican Pesos and Brazilian Reals.

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For information pertaining to the reclassification of unrealized gains and losses on derivative instruments, see Note 7, "Derivative Financial Instruments."

The following is a roll forward of the amounts recorded in AOCI:

	<u>Fiscal 2014</u>	<u>Fiscal 2013</u>	<u>Fiscal 2012</u>
Foreign Currency Translation Adjustments:			
Beginning balance	\$ (7,050)	\$ (225)	\$ 8,377
Gross change before reclassification adjustment	(32,528)	(6,622)	(8,602)
Gross change after reclassification adjustment	\$ (32,528)	\$ (6,622)	\$ (8,602)
Deferred tax effect	—	—	—
Deferred tax valuation allowance	—	—	—
Other Comprehensive Income (Loss)	\$ (32,528)	\$ (6,622)	\$ (8,602)
Noncontrolling interest	(61)	203	—
Comprehensive income (loss) attributable to controlling interest	\$ (39,517)	\$ (7,050)	\$ (225)
Derivative Hedging Instruments:			
Beginning balance	\$ (2,291)	\$ 218	\$ (1,327)
Gross change before reclassification adjustment	13,154	(2,013)	(1,824)
Net reclassification adjustment for (gains) losses included in earnings	2,557	(920)	3,097
Gross change after reclassification adjustment	\$ 15,711	\$ (2,933)	\$ 1,273
Deferred tax effect	(4,225)	(234)	(636)
Deferred tax valuation allowance	45	658	908
Other Comprehensive Income (Loss)	\$ 11,531	\$ (2,509)	\$ 1,545
Ending balance	9,240	\$ (2,291)	\$ 218
Defined Benefit Pension Plans:			
Beginning balance	\$ (29,180)	\$ (33,428)	\$ (21,496)
Gross change before reclassification adjustment	(6,600)	8,097	(15,682)
Net reclassification adjustment for losses included in Cost of goods sold	582	1,571	900
Net reclassification adjustment for (gains) losses included in Selling expenses	295	(584)	—
Net reclassification adjustment for losses included in General and administrative expenses	491	373	—
Gross change after reclassification adjustment	\$ (5,232)	\$ 9,457	\$ (14,782)
Deferred tax effect	2,954	(5,123)	3,632
Deferred tax valuation allowance	(1,339)	(86)	(782)
Other Comprehensive Income (Loss)	\$ (3,617)	\$ 4,248	\$ (11,932)
Ending balance	\$ (32,797)	\$ (29,180)	\$ (33,428)
Total Other Comprehensive Income (Loss), net of tax	\$ (24,614)	\$ (4,883)	\$ (18,989)
Total ending AOCI	\$ (63,074)	\$ (38,521)	\$ (33,435)

(s) Stock Compensation

The Company measures the cost of its stock-based compensation plans, which include restricted stock awards and restricted stock units, based on the fair value of the awards at the date of grant and recognizes these costs over the requisite service period of the awards.

In June 2010, SB Holdings adopted the Spectrum Brands Holdings, Inc. 2007 Omnibus Equity Award Plan (formerly known as the Russell Hobbs Inc. 2007 Omnibus Equity Award Plan, as amended on June 24, 2008) (the "RH Plan"). Prior to October 21, 2010, up to 600 shares of common stock, net of forfeitures and cancellations, could have been issued under the RH Plan. After October 21, 2010, no further awards may be made under the RH Plan.

On October 21, 2010, the Board adopted the Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (the "2011 Plan"), which was approved at the Annual Meeting of Stockholders on March 1, 2011. During Fiscal 2014, the 2011 Plan was amended to increase the shares issuable by 1,000. Including the amendment to the 2011 Plan, up to 5,626 shares of common stock of SB Holdings, net of cancellations, may be issued under the 2011 Plan.

Total stock compensation expense associated with restricted stock units recognized by the Company during Fiscal 2014, Fiscal 2013 and Fiscal 2012, was \$44,903, \$43,098, \$25,208, respectively. The amounts before tax are included in General and administrative expenses in the accompanying Consolidated Statements of Operations. The remaining unrecognized pre-tax compensation cost related to restricted stock units at September 30, 2014 was \$11,815.

The Company granted approximately 641 restricted stock units during Fiscal 2014. The 641 restricted stock units granted during Fiscal 2014, include 193 restricted stock units that vested immediately and 126 restricted stock units that vest over a one year period. The remaining 322 restricted stock units are performance-based and vest over a two year period. The total market value of the restricted stock units on the date of the grant was approximately \$48,602.

The Company granted approximately 678 restricted stock units during Fiscal 2013. Of these grants, 26 restricted stock units are time-based and vest over a period of one year. Of the remaining 652 restricted stock units, 90 are performance-based and vest over a one year period and 562 are both performance and time-based and vest over a one year performance-based period followed by a one year time-based period. The total market value of the restricted stock units on the date of the grant was approximately \$31,307.

The Company granted approximately 745 restricted stock units during Fiscal 2012. Of these grants, 42 restricted stock units are time-based and vest over a period ranging from one to two years. The remaining 703 restricted stock units are both performance and time-based and vest over a one year performance-based period followed by a one year time-based period. The total market value of the restricted stock units on the date of the grant was approximately \$20,439.

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A summary of the Company's restricted stock and restricted stock unit award activity for Fiscal 2014, Fiscal 2013 and Fiscal 2012, and the non-vested awards outstanding as of September 30, 2014 is as follows:

Restricted Stock Awards	Shares	Weighted Average Grant Date Fair Value	Fair Value at Grant Date
Restricted stock awards at September 30, 2011	123	24.20	\$ 2,977
Vested	(110)	23.75	(2,613)
Restricted stock awards at September 30, 2012	13	\$ 28.00	\$ 364
Vested	(13)	28.00	(364)
Restricted stock awards at September 30, 2013	—	\$ —	\$ —
Vested	—	—	—
Restricted stock awards at September 30, 2014	—	\$ —	\$ —
Non-vested restricted stock units at September 30, 2011	1,629	\$ 29.00	\$ 47,236
Granted	745	27.43	20,439
Forfeited	(57)	28.49	(1,624)
Vested	(386)	28.81	(11,120)
Non-vested restricted stock units at September 30, 2012	1,931	\$ 28.45	\$ 54,931
Granted	678	46.18	31,307
Forfeited	(302)	30.36	(9,168)
Vested	(1,206)	28.19	(34,003)
Non-vested restricted stock units at September 30, 2013	1,101	\$ 39.12	\$ 43,067
Granted	641	75.82	48,602
Forfeited	(6)	69.33	(416)
Vested	(932)	39.34	(36,663)
Non-vested restricted stock units at September 30, 2014	804	\$ 67.90	\$ 54,590

(t) Restructuring and Related Charges

Restructuring charges are recognized and measured in accordance with the provisions of ASC Topic 420: "Exit or Disposal Cost Obligations," ("ASC 420") and ASC Topic 712: "Compensation—Nonretirement Post-Employment Benefits," (ASC 712"). Under ASC 420 and ASC 712, restructuring charges include, but are not limited to, termination and related costs consisting primarily of one-time termination benefits such as severance costs and retention bonuses, and contract termination costs consisting primarily of lease termination costs. Related charges, as defined by the Company, include, but are not limited to, other costs directly associated with exit and integration activities, including impairment of property and other assets, departmental costs of full-time incremental integration employees, and any other items related to the exit or integration activities. Costs for such activities are estimated by management after evaluating detailed analyses of the costs to be incurred. The Company presents restructuring and related charges on a combined basis.

Liabilities from restructuring and related charges are recorded for estimated costs of facility closures, significant organizational adjustments and measures undertaken by management to exit certain activities. Costs for such activities are estimated by management after evaluating detailed analyses of the costs to be incurred. Such liabilities could include amounts for items such as severance costs and related benefits (including settlements of pension plans), impairment of property and equipment and other current or long term assets, lease termination payments and any other items directly related to the exit activities. While the actions are carried out as expeditiously as possible, restructuring and related charges are estimates. Changes in estimates resulting in an increase to or a reversal of a previously recorded liability may be required as management executes a restructuring plan.

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The Company reports restructuring and related charges associated with manufacturing and related initiatives in cost of goods sold. Restructuring and related charges reflected in cost of goods sold include, but are not limited to, termination and related costs associated with manufacturing employees, asset impairments relating to manufacturing initiatives and other costs directly related to the restructuring initiatives implemented.

The Company reports restructuring and related charges associated with administrative functions in operating expenses, such as initiatives impacting sales, marketing, distribution or other non-manufacturing related functions. Restructuring and related charges reflected in operating expenses include, but are not limited to, termination and related costs, any asset impairments relating to the administrative functions and other costs directly related to the initiatives implemented.

(See also Note 14, "Restructuring and Related Charges," for a more complete discussion of restructuring initiatives and related costs).

(u) Acquisition and Integration Related Charges

Acquisition and integration related charges reflected in Operating expenses include, but are not limited to, transaction costs such as banking, legal, accounting and other professional fees directly related to both consummated acquisitions and acquisition targets, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination expenses associated with mergers and acquisitions.

The following table summarizes acquisition and integration related charges incurred by the Company during Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Russell Hobbs			
Legal and professional fees	9	39	1,495
Integration costs	2,421	\$ 3,452	\$10,168
Employee termination charges	<u>30</u>	<u>217</u>	<u>3,900</u>
Russell Hobbs Acquisition and integration related charges	\$ 2,460	\$ 3,708	\$15,563
HHI Business			
Legal and professional fees	2,192	27,712	—
Integration costs	8,691	8,864	—
Employee termination charges	<u>155</u>	<u>356</u>	<u>—</u>
HHI Business Acquisition and integration related charges	\$11,038	\$36,932	\$ —
Liquid Fence	3,475	—	—
Shaser	930	4,828	—
FURminator	53	2,270	7,938
Black Flag	—	154	3,379
Other	<u>2,146</u>	<u>553</u>	<u>4,186</u>
Total Acquisition and integration related charges	<u>\$20,102</u>	<u>\$48,445</u>	<u>\$31,066</u>

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(3) INVENTORIES

Inventories consist of the following:

	September, 30	
	2014	2013
Raw materials	\$ 104,129	\$ 97,290
Work-in-process	35,259	40,626
Finished goods	485,147	495,007
	<u>\$ 624,535</u>	<u>\$ 632,923</u>

(4) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	September, 30	
	2014	2013
Land, buildings and improvements	\$ 159,811	\$ 164,654
Machinery, equipment and other	402,931	338,335
Capitalized leases	98,461	66,791
Construction in progress	32,199	46,668
	<u>\$ 693,402</u>	<u>\$ 616,448</u>
Accumulated depreciation	(264,525)	(203,897)
	<u>\$ 428,877</u>	<u>\$ 412,551</u>

(5) GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home and Garden	Total
Goodwill:					
Balance at September 30, 2012	\$ 268,556	\$ —	\$ 237,932	\$ 187,757	\$ 694,245
Additions	67,149	717,853	—	1,614	786,616
Effect of translation	(2,205)	(3,129)	1,145	—	(4,189)
Balance at September 30, 2013	\$ 333,500	\$ 714,724	\$ 239,077	\$ 189,371	\$ 1,476,672
Additions	—	3,460	—	7,088	10,548
Effect of translation	(6,085)	(8,377)	(3,197)	—	(17,659)
Balance at September 30, 2014	<u>\$ 327,415</u>	<u>\$ 709,807</u>	<u>\$ 235,880</u>	<u>\$ 196,459</u>	<u>\$ 1,469,561</u>
Intangible Assets:					
Trade Names Not Subject to Amortization					
Balance at September 30, 2012	\$ 545,426	\$ —	\$ 212,142	\$ 83,500	\$ 841,068
Additions	—	331,000	—	—	331,000
Effect of translation	1,927	(229)	4,284	—	5,982
Balance at September 30, 2013	\$ 547,353	\$ 330,771	\$ 216,426	\$ 83,500	\$ 1,178,050
Additions	—	—	—	5,100	5,100
Effect of translation	(2,804)	(205)	(5,867)	—	(8,876)
Balance at September 30, 2014	<u>\$ 544,549</u>	<u>\$ 330,566</u>	<u>\$ 210,559</u>	<u>\$ 88,600</u>	<u>\$ 1,174,274</u>

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	<u>Global Batteries & Appliances</u>	<u>Hardware & Home Improvement</u>	<u>Global Pet Supplies</u>	<u>Home and Garden</u>	<u>Total</u>
Intangible Assets Subject to Amortization					
Balance at September 30, 2012, net	\$ 447,112	—	\$ 264,622	\$ 162,127	\$ 873,861
Additions	29,379	158,100	802	—	188,281
Amortization during period	(35,553)	(11,372)	(21,379)	(9,475)	(77,779)
Effect of translation	(162)	(267)	1,182	—	753
Balance at September 30, 2013, net	\$ 440,776	146,461	\$ 245,227	\$ 152,652	\$ 985,116
Additions	—	—	1,788	21,800	23,588
Amortization during period	(34,998)	(14,758)	(21,578)	(10,394)	(81,728)
Effect of translation	(5,429)	(1,171)	(3,111)	—	(9,711)
Balance at September 30, 2014, net	\$ 400,349	\$ 130,532	\$ 222,326	\$ 164,058	\$ 917,265
Total Intangible Assets, net at September 30, 2014	\$ 944,898	\$ 461,098	\$ 432,885	\$ 252,658	\$ 2,091,539

Intangible assets subject to amortization include proprietary technology, customer relationships and certain trade names, which were recognized in connection with acquisitions and from the application of fresh-start reporting in the fiscal year ended September 20, 2009. The useful lives for proprietary technology assets associated with the Global Batteries & Appliances segment, the Hardware & Home Improvement segment and the Global Pet Supplies segment range from 9 to 17 years, 8 to 9 years and 4 to 9 years, respectively. The useful lives of customer relationships range from 15 to 20 years within the Global Batteries & Appliances segment and, 20 years in each of the Hardware & Home Improvement, Home and Garden and Global Pet Supplies segments. The useful lives for trade names range from 1 to 12 years within the Global Batteries & Appliances segment, 5 to 8 years within the Hardware & Home Improvement segment and 3 years within the Global Pet Supplies segment.

The carrying value and accumulated amortization for intangible assets subject to amortization are as follows:

	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Technology Assets Subject to Amortization:		
Gross balance	\$ 192,179	\$ 172,105
Accumulated amortization	(57,567)	(39,028)
Carrying value, net	\$ 134,612	\$ 133,077
Trade Names Subject to Amortization:		
Gross balance	\$ 171,072	\$ 171,572
Accumulated amortization	(60,997)	(44,660)
Carrying value, net	\$ 110,075	\$ 126,912
Customer Relationships Subject to Amortization:		
Gross balance	\$ 877,157	\$ 885,895
Accumulated amortization	(204,579)	(160,768)
Carrying value, net	\$ 672,578	\$ 725,127
Total Intangible Assets, net Subject to Amortization	\$ 917,265	\$ 985,116

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Amortization expense for the years ended September 30, 2014, September 30, 2013 and September 30, 2012 is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Proprietary technology amortization	\$18,552	\$16,260	\$ 9,133
Trade names amortization	16,448	16,587	14,347
Customer relationships amortization	46,728	44,932	40,186
	<u>\$81,728</u>	<u>\$77,779</u>	<u>\$63,666</u>

The Company estimates annual amortization expense of intangible assets for the next five fiscal years will approximate \$77,500 per year.

(6) DEBT

Debt consists of the following:

	<u>September 30, 2014</u>		<u>September 30, 2013</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
Term Loan, due September 4, 2017 (Tranche A)	\$ 648,383	3.0%	\$ 850,000	3.0%
Term Loan, due September 4, 2019 (Tranche C)	509,850	3.6%	300,000	3.6%
CAD Term Loan, due December 17, 2019	34,219	5.1%	81,397	5.1%
Term Loan, due December 17, 2019 (Tranche B)	—	— %	513,312	4.6%
Euro Term Loan, due September 4, 2019	283,339	3.8%	—	— %
6.375% Notes, due November 15, 2020	520,000	6.4%	520,000	6.4%
6.625% Notes, due November 15, 2022	570,000	6.6%	570,000	6.6%
6.75% Notes, due March 15, 2020	300,000	6.8%	300,000	6.8%
ABL Facility, expiring May 24, 2017	—	2.5%	—	5.7%
Other notes and obligations	52,404	6.7%	28,468	8.5%
Capitalized lease obligations	94,711	6.1%	67,402	6.2%
	<u>\$3,012,906</u>		<u>\$3,230,579</u>	
Original issuance discounts on debt	(6,213)		(11,716)	
Less: current maturities	<u>(112,556)</u>		<u>(102,921)</u>	
Long-term debt	<u>\$2,894,137</u>		<u>\$3,115,942</u>	

The Company's aggregate scheduled maturities of debt and capital lease obligations as of September 30, 2014 are as follows:

2015	\$ 112,556
2016	75,990
2017	559,244
2018	13,049
2019	766,459
Thereafter	1,485,608
	<u>\$ 3,012,906</u>

The Company has the following debt instruments outstanding at September 30, 2014: (i) a senior secured term loan pursuant to a senior credit agreement (the "Senior Credit Agreement") which consists of \$648,383 principal due September 4, 2017 ("Tranche A"), \$509,850 principal due September 4, 2019 ("Tranche C"), \$34,219 Canadian dollar denominated principal due December 17, 2019 ("CAD Term Loan") and \$283,339 Euro

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denominated principal due September 4, 2019 (“Euro Term Loan”) (together, the “Term Loan”); (ii) \$300,000 6.75% unsecured notes (the “6.75% Notes”); (iii) \$520,000 6.375% unsecured notes (the “6.375% Notes”); (iv) \$570,000 6.625% unsecured notes (the “6.625% Notes”); and (v) a \$400,000 asset based lending revolving credit facility (the “ABL Facility”).

Term Loan

On December 17, 2012, the Company entered into a senior term loan facility, maturing December 17, 2019, which provides for borrowings in an aggregate principal amount of \$800,000, with \$100,000 in Canadian dollar equivalents (the “HHI Term Loan”) in connection with the acquisition of the residential hardware and home improvement business (the “HHI Business”). A portion of the HHI Term Loan proceeds were used to refinance the former term loan facility, which was scheduled to mature on June 17, 2016, and had an aggregate amount outstanding of \$370,175 prior to refinancing. In connection with the refinancing, the Company recorded accelerated amortization of portions of the unamortized discount and unamortized Debt issuance costs related to the former term loan facility totaling \$5,485 as an adjustment to Interest expense during Fiscal 2013.

The HHI Term Loan was issued at a 1.0% discount and recorded net of the \$8,000 discount incurred. The discount is reflected as an adjustment to the carrying value of principal, and is being amortized with a corresponding charge to interest expense over the remaining life of the debt. In connection with the issuance of the HHI Term Loan, the Company recorded \$19,328 of fees during Fiscal 2013, of which \$16,907 is classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and is being amortized as an adjustment to interest expense over the remaining life of the HHI Term Loan, with the remainder of \$2,421 reflected as an increase to Interest expense during Fiscal 2013.

On September 4, 2013, the Company amended the senior term loan facility, issuing a tranche maturing September 4, 2017, which provides for borrowings in an aggregate principal amount of \$850,000, and a tranche maturing September 4, 2019, which provides borrowings in an aggregate principal amount of \$300,000 (together with the HHI Term Loan, the “Term Loan”). The proceeds from the amendment were used to extinguish the former 9.5% Notes, which were scheduled to mature on June 15, 2018, and for general corporate purposes. The 9.5% Notes had an outstanding amount of \$950,000 prior to extinguishment.

The tranches related to the amendment of the Term Loan on September 4, 2013, were issued at a .5% discount and recorded net of the \$5,750 discount incurred. The discount is reflected as an adjustment to the carrying value of principal, and is being amortized with a corresponding charge to interest expense over the remaining life of the debt. In connection with the amendment of the Term Loan, the Company recorded \$16,381 of fees during Fiscal 2013 which is classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and is being amortized as an adjustment to interest expense over the remaining life of the Term Loan.

On December 18, 2013, the Company amended the Term Loan, issuing two tranches maturing September 4, 2019 which provide for borrowings in aggregate principal amounts of \$215,000 and €225,000. The proceeds from the amendment were used to refinance a portion of the Term Loan (formerly Tranche B) which was scheduled to mature December 17, 2019, in an amount outstanding of \$513,312 prior to refinancing. The \$215,000 additional U.S. dollar denominated portion was combined with the existing Tranche C maturing September 4, 2019. The Company recorded accelerated amortization of portions of the unamortized discount and unamortized Debt issuance costs related to the refinancing of the Term Loan totaling \$9,216 as an adjustment to interest expense during Fiscal 2014.

The additional Tranche C and Euro Term Loan debt were issued at a .125% discount and recorded net of the discount incurred. Of this discount, \$510 is reflected as an adjustment to the carrying value of principal, and is being amortized with a corresponding charge to interest expense over the remaining life of the debt, and the remainder of \$146 is reflected as an increase to interest expense during Fiscal 2014. In connection with the

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refinancing of a portion of the Term Loan, the Company recorded \$7,236 of fees during Fiscal 2014 of which \$5,150 is classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and is being amortized as an adjustment to interest expense over the remaining life of the Term Loan, with the remainder of \$2,086 reflected as an increase to interest expense during Fiscal 2014.

The Term Loan contains financial covenants with respect to debt, including, but not limited to, a fixed charge ratio. In addition, the Term Loan contains customary restrictive covenants, including, but not limited to, restrictions on the Company's ability to incur additional indebtedness, create liens, make investments or specified payments, give guarantees, pay dividends, make capital expenditures and merge or acquire or sell assets. Pursuant to a guarantee and collateral agreement, the Company, its domestic subsidiaries and its Canadian subsidiaries have guaranteed their respective obligations under the Term Loan and related loan documents and have pledged substantially all of their respective assets to secure such obligations. The Term Loan also provides for customary events of default, including payment defaults and cross-defaults on other material indebtedness.

6.375% Notes and 6.625% Notes

On December 17, 2012, in connection with the acquisition of the HHI Business, the Company assumed \$520,000 aggregate principal amount of 6.375% Notes at par value, due November 15, 2020 (the "6.375% Notes"), and \$570,000 aggregate principal amount of 6.625% Notes at par value, due November 15, 2022 (the "6.625% Notes"), previously issued by Spectrum Brands Escrow Corporation. The 6.375% Notes and the 6.625% Notes are unsecured and guaranteed by Spectrum Brands' parent company, SB/RH Holdings, LLC, as well as by existing and future domestic restricted subsidiaries.

The Company may redeem all or a part of the 6.375% Notes and the 6.625% Notes, upon not less than 30 or more than a 60 day notice, at specified redemption prices. Further, the indenture governing the 6.375% Notes and the 6.625% Notes (the "2020/22 Indenture") requires the Company to make an offer, in cash, to repurchase all or a portion of the applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of the Company, as defined in such indenture.

The 2020/22 Indenture contains customary covenants that limit, among other things, the incurrence of additional indebtedness, payment of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2020/22 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2020/22 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 6.375% Notes and the 6.625% Notes. If any other event of default under the 2020/22 Indenture occurs and is continuing, the trustee for the 2020/22 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 6.375% Notes, or the 6.625% Notes, may declare the acceleration of the amounts due under those notes.

The Company recorded \$12,906 and \$14,127 of fees in connection with the offering of the 6.375% Notes and the 6.625% Notes, respectively, during Fiscal 2013. The fees are classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and are being amortized as an adjustment to interest expense over the respective remaining lives of the 6.375% Notes and the 6.625% Notes.

In connection with the registration of the 6.375% Notes and the 6.625% Notes that were assumed on December 17, 2012 to finance the acquisition of the HHI Business, the Company recorded \$261 of fees during Fiscal 2014. The \$261 was classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and is being amortized as an adjustment to interest expense over the remaining life of the 6.375% Notes and the 6.625% Notes.

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6.75% Notes

On March 15, 2012 the Company offered \$300,000 aggregate principal amount of 6.75% Notes at a price of 100% of the par value. The 6.75% Notes are unsecured and guaranteed by SB/RH Holdings, LLC, as well as by existing and future domestic restricted subsidiaries.

The Company may redeem all or a part of the 6.75% Notes, upon not less than 30 or more than 60 days notice, at specified redemption prices. Further, the indenture governing the 6.75% Notes (the "2020 Indenture") requires the Company to make an offer, in cash, to repurchase all or a portion of the applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of the Company, as defined in such indenture.

The 2020 Indenture contains customary covenants that limit, among other things, the incurrence of additional indebtedness, payment of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2020 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2020 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 6.75% Notes. If any other event of default under the 2020 Indenture occurs and is continuing, the trustee for the 2020 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 6.75% Notes may declare the acceleration of the amounts due under those notes.

The Company recorded \$6,265 of fees in connection with the offering of the 6.75% Notes during Fiscal 2012. The fees are classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and are amortized as an adjustment to interest expense over the remaining life of the 6.75% Notes.

ABL Facility

On December 17, 2012, the Company exercised its option to increase its asset based lending revolving credit facility (the "ABL Facility") from \$300,000 to \$400,000 and extend the maturity to May 24, 2017. In connection with the increase and extension, the Company incurred \$323 of fees during Fiscal 2013. The fees are classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and are being amortized as an adjustment to interest expense over the remaining life of the ABL Facility.

On March 28, 2013, the Company amended its ABL Facility to conform certain provisions to reflect the acquisition of the HHI Business. In connection with the amendment, the Company incurred \$206 of fees during Fiscal 2013. The fees are classified as Debt issuance costs within the accompanying Consolidated Statements of Financial Position and are being amortized as an adjustment to interest expense over the remaining life of the ABL Facility.

In connection with the December 18, 2013 amendment of the Term Loan, the Company amended the ABL Facility to obtain certain consents to the amendment of the Senior Credit Agreement. In connection with the amendment, the Company incurred fees and expenses that are included in the amounts recorded above related to the amendment of the Term Loan.

As a result of borrowings and payments under the ABL Facility, at September 30, 2014, the Company had aggregate borrowing availability of approximately \$266,853, net of lender reserves of \$6,398 and outstanding letters of credit of \$51,032.

(7) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used by the Company principally in the management of its interest rate, foreign currency exchange rate and raw material price exposures. The Company does not hold or issue derivative financial instruments for trading purposes. Derivative instruments are reported at fair value in the Consolidated Statements of Financial Position. When hedge accounting is elected at inception, the Company formally designates the financial instrument as a hedge of a specific underlying exposure and documents both the risk management objectives and strategies for undertaking the hedge. The Company formally assesses both at the inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the forecasted cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the forecasted cash flows of the underlying exposures being hedged. Any ineffective portion of a financial instrument's change in fair value is recognized in earnings. For derivatives that are not designated as cash flow hedges, or do not qualify for hedge accounting treatment, the change in the fair value is also recognized in earnings.

Derivative Financial Instruments

Cash Flow Hedges

The Company uses interest rate swaps to manage its interest rate risk. The swaps are designated as cash flow hedges with the changes in fair value recorded in AOCI and as a derivative hedge asset or liability, as applicable. The swaps settle periodically in arrears with the related amounts for the current settlement period payable to, or receivable from, the counter-parties included in accrued liabilities or receivables, respectively, and recognized in earnings as an adjustment to Interest expense from the underlying debt to which the swap is designated. At September 30, 2014, the Company had a series of U.S. dollar denominated interest rate swaps outstanding which effectively fix the interest on floating rate debt, exclusive of lender spreads, at 1.36% for a notional principal amount of \$300,000 through April 2017. At September 30, 2013, the Company did not have any interest rate swaps outstanding. The derivative net loss on these contracts recorded in AOCI by the Company at September 30, 2014 was \$704, net of tax benefit of \$0. At September 30, 2014, the portion of derivative net losses estimated to be reclassified from AOCI into earnings by the Company over the next 12 months is \$1,335, net of tax.

The Company's interest rate swap derivative financial instruments at September 30, 2014 and September 30, 2013 are summarized as follows:

	2014		2013	
	Notional Amount	Remaining Years	Notional Amount	Remaining Years
Interest rate swaps—fixed	\$ 300,000	2.5	\$ —	—

The Company periodically enters into forward foreign exchange contracts to hedge the risk from forecasted foreign currency denominated third party and intercompany sales or payments. These obligations generally require the Company to exchange foreign currencies for U.S. Dollars, Euros, Pounds Sterling, Australian Dollars, Brazilian Reals, Mexican Pesos, Canadian Dollars or Japanese Yen. These foreign exchange contracts are cash flow hedges of fluctuating foreign exchange rates related to sales of product or raw material purchases. Until the sale or purchase is recognized, the fair value of the related hedge is recorded in AOCI and as a derivative hedge asset or liability, as applicable. At the time the sale or purchase is recognized, the fair value of the related hedge is reclassified as an adjustment to Net sales or purchase price variance in Cost of goods sold.

At September 30, 2014, the Company had a series of foreign exchange derivative contracts outstanding through September 2015 with a contract value of \$226,694. At September 30, 2013 the Company had a series of foreign exchange derivative contracts outstanding through September 2014 with a contract value of \$255,909. The derivative net gain on these contracts recorded in AOCI at September 30, 2014 was \$8,908, net of tax.

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expense of \$3,413. The derivative loss on these contracts recorded in AOCI at September 30, 2013 was \$2,287, net of tax benefit of \$637. At September 30, 2014, the portion of derivative net losses estimated to be reclassified from AOCI into earnings over the next 12 months is \$8,658, net of tax.

The Company is exposed to risk from fluctuating prices for raw materials, specifically zinc and brass used in its manufacturing processes. The Company hedges a portion of the risk associated with the purchase of these materials through the use of commodity swaps. The hedge contracts are designated as cash flow hedges with the fair value changes recorded in AOCI and as a hedge asset or liability, as applicable. The unrecognized changes in fair value of the hedge contracts are reclassified from AOCI into earnings when the hedged purchase of raw materials also affects earnings. The swaps effectively fix the floating price on a specified quantity of raw materials through a specified date. At September 30, 2014, the Company had a series of zinc swap contracts outstanding through September 2015 for 8 tons with a contract value of \$17,376. To hedge brass exposures, at September 30, 2014, the Company had a series of zinc and copper swap contracts outstanding through June 2015 for 1 ton with a contract value of \$2,835. At September 30, 2013 the Company had a series of zinc swap contracts outstanding through December 2014 for 8 tons with a contract value of \$16,235. The derivative net gain on these contracts recorded in AOCI at September 30, 2014 was \$1,007, net of tax expense of \$127. The derivative net loss on these contracts recorded in AOCI at September 30, 2013 was \$4, net of tax benefit of \$32. At September 30, 2014, the portion of derivative net gain estimated to be reclassified from AOCI into earnings over the next 12 months is \$1,007, net of tax.

Derivative Contracts Not Designated As Hedge Accounting

The Company periodically enters into forward and swap foreign exchange contracts to economically hedge the risk from third party and intercompany payments resulting from existing obligations. These obligations generally require the Company to exchange foreign currencies for U.S. Dollars, Canadian Dollars, Euros or Australian Dollars. These foreign exchange contracts are economic hedges of a related liability or asset recorded in the accompanying Consolidated Statements of Financial Position. The gain or loss on the derivative hedge contracts is recorded in earnings as an offset to the change in value of the related liability or asset at each period end. At September 30, 2014 and September 30, 2013, the Company had \$108,855 and \$108,480, respectively, of notional value for such foreign exchange derivative contracts outstanding.

The Company periodically enters into commodity swap contracts to economically hedge the risk from fluctuating prices for raw materials, specifically the pass-through of market prices for silver used in manufacturing purchased watch batteries. The Company hedges a portion of the risk associated with these materials through the use of commodity swaps. The swap contracts are designated as economic hedges with the unrealized gain or loss recorded in earnings and as an asset or liability at each period end. The unrecognized changes in fair value of the hedge contracts are adjusted through earnings when the realized gains or losses affect earnings upon settlement of the hedges. The swaps effectively fix the floating price on a specified quantity of silver through a specified date. At September 30, 2014, the Company had a series of such swap contracts outstanding through September 2015 for 25 troy ounces with a contract value of \$445. At September 30, 2013, the Company had a series of such swap contracts outstanding through May 2014 for 45 troy ounces with a contract value of \$980.

Fair Value of Derivative Instruments

The Company discloses its derivative instruments and hedging activities in accordance with ASC Topic 815: “*Derivatives and Hedging*” (“ASC 815”).

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The fair value of the Company's outstanding derivative contracts recorded as assets in the accompanying Consolidated Statements of Financial Position are as follows:

Asset Derivatives		September 30,	September 30,
		2014	2013
Derivatives designated as hedging instruments under ASC 815:			
Interest rate contracts	Deferred charges and other	\$ 631	\$ —
Commodity contracts	Receivables—Other	1,276	416
Commodity contracts	Deferred charges and other	—	3
Foreign exchange contracts	Receivables—Other	11,976	1,719
Foreign exchange contracts	Deferred charges and other	345	—
Total asset derivatives designated as hedging instruments under ASC 815		14,228	2,138
Derivatives not designated as hedging instruments under ASC 815:			
Foreign exchange contracts	Receivables—Other	508	143
Total asset derivatives		\$ 14,736	\$ 2,281

The fair value of the Company's outstanding derivative contracts recorded as liabilities in the accompanying Consolidated Statements of Financial Position are as follows:

Liability Derivatives		September 30,	September 30,
		2014	2013
Derivatives designated as hedging instruments under ASC 815:			
Interest rate contracts	Other current liabilities	\$ 1,335	\$ —
Interest rate contracts	Accrued interest	440	—
Commodity contracts	Accounts payable	150	450
Foreign exchange contracts	Accounts payable	—	4,577
Foreign exchange contracts	Other long-term liabilities	—	65
Total liability derivatives designated as hedging instruments under ASC 815		\$ 1,925	\$ 5,092
Derivatives not designated as hedging instruments under ASC 815:			
Commodity contract	Accounts payable	\$ 45	\$ 55
Foreign exchange contracts	Accounts payable	149	5,323
Total liability derivatives		\$ 2,119	\$ 10,470

Changes in AOCI from Derivative Instruments

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of Accumulated Other Comprehensive Income ("AOCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on derivatives representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

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The following table summarizes the impact of derivative instruments on the accompanying Consolidated Statement of Operations for Fiscal 2014, pretax:

Derivatives in ASC 815 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Interest rate contracts	\$ (1,610)	Interest expense	\$ (906)	Interest expense	\$ —
Commodity contracts	1,933	Cost of goods sold	763	Cost of goods sold	(14)
Foreign exchange contracts	147	Net sales	210	Net sales	—
Foreign exchange contracts	12,684	Cost of goods sold	(2,624)	Cost of goods sold	—
Total	\$ 13,154		\$ (2,557)		\$ (14)

The following table summarizes the impact of derivative instruments on the accompanying Consolidated Statement of Operations for Fiscal 2013, pretax:

Derivatives in ASC 815 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Commodity contracts	\$ (2,615)	Cost of goods sold	\$ (632)	Cost of goods sold	\$ (39)
Foreign exchange contracts	884	Net sales	920	Net sales	—
Foreign exchange contracts	(282)	Cost of goods sold	632	Cost of goods sold	—
Total	\$ (2,013)		\$ 920		\$ (39)

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The following table summarizes the impact of derivative instruments on the accompanying Consolidated Statement of Operations for Fiscal 2012, pretax:

Derivatives in ASC 815 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Commodity contracts	\$ 1,606	Cost of goods sold	\$ (1,148)	Cost of goods sold	\$ 94
Interest rate contracts	15	Interest expense	(864)	Interest expense	—
Foreign exchange contracts	61	Net sales	(474)	Net sales	—
Foreign exchange contracts	(3,506)	Cost of goods sold	(611)	Cost of goods sold	—
Total	\$ (1,824)		\$ (3,097)		\$ 94

Other Changes in Fair Value of Derivative Contracts

For derivative instruments that are used to economically hedge the fair value of the Company's third party and intercompany foreign currency payments, commodity purchases and interest rate payments, the gain (loss) associated with the derivative contract is recognized in earnings in the period of change. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company recognized the following gains (losses) on these derivative contracts:

Derivatives Not Designated as Hedging Instruments Under ASC 815	Amount of Gain (Loss) Recognized in Income on Derivatives			Location of Gain (Loss) Recognized in Income on Derivatives
	2014	2013	2012	
Commodity contracts	\$ (99)	\$ (55)	\$ —	Cost of goods sold
Foreign exchange contracts	3,115	(3,597)	5,916	Other expense, net
Total	\$3,016	\$(3,652)	\$ 5,916	

Credit Risk

The Company is exposed to the risk of default by the counterparties with which it transacts and generally does not require collateral or other security to support financial instruments subject to credit risk. The Company monitors counterparty credit risk on an individual basis by periodically assessing each such counterparty's credit rating exposure. The maximum loss due to credit risk equals the fair value of the gross asset derivatives that are concentrated with certain domestic and foreign financial institution counterparties. The Company considers these exposures when measuring its credit reserve on its derivative assets, which was \$48 and \$5 at September 30, 2014 and September 30, 2013, respectively.

The Company's standard contracts do not contain credit risk related contingent features whereby the Company would be required to post additional cash collateral as a result of a credit event. However, the Company is typically required to post collateral in the normal course of business to offset its liability positions. At September 30, 2014 and September 30, 2013, the Company had posted cash collateral of \$0 and \$450, respectively, related to such liability positions. In addition, at September 30, 2014 and September 30, 2013, the Company had no posted standby letters of credit related to such liability positions. The cash collateral is included in Current Assets—Receivables-Other within the accompanying Consolidated Statements of Financial Position.

(8) FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC Topic 820: “Fair Value Measurements and Disclosures” (“ASC 820”), establishes a framework for measuring fair value and expands related disclosures. Broadly, the ASC 820 framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. ASC 820 establishes market or observable inputs as the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs. The Company utilizes valuation techniques that attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of the fair values considers various factors, including closing exchange or over-the-counter market pricing quotations, time value and credit quality factors underlying options and contracts. The fair value of certain derivative financial instruments is estimated using pricing models based on contracts with similar terms and risks. Modeling techniques assume market correlation and volatility, such as using prices of one delivery point to calculate the price of the contract’s different delivery point. The nominal value of interest rate transactions is discounted using applicable forward interest rate curves. In addition, by applying a credit reserve which is calculated based on credit default swaps or published default probabilities for the actual and potential asset value, the fair value of the Company’s derivative financial instrument assets reflects the risk that the counterparties to these contracts may default on the obligations. Likewise, by assessing the requirements of a reserve for non-performance which is calculated based on the probability of default by the Company, the Company adjusts its derivative contract liabilities to reflect the price at which a potential market participant would be willing to assume the Company’s liabilities. The Company has not changed its valuation techniques in measuring the fair value of any financial assets and liabilities during the year.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions made by the Company. These two types of inputs create the following fair value hierarchy:

- Level 1 — Unadjusted quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 — Significant inputs to the valuation model are unobservable.

The Company maintains policies and procedures to value instruments using the best and most relevant data available. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls must be determined based on the lowest level input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. In addition, the Company has risk management teams that review valuation, including independent price validation for certain instruments. Further, in other instances, the Company retains independent pricing vendors to assist in valuing certain instruments.

The Company’s derivatives are valued on a recurring basis using internal models, which are based on market observable inputs including interest rate curves and both forward and spot prices for currencies and commodities.

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The Company's net derivative portfolio as of September 30, 2014, contains Level 2 instruments and consists of interest rate, commodity and foreign exchange contracts. The fair values of these instruments as of September 30, 2014 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Interest rate contracts	\$ —	\$ 631	\$ —	\$ 631
Commodity contracts	—	1,276	—	1,276
Foreign exchange contracts	—	12,829	—	12,829
Total Assets	<u>\$ —</u>	<u>\$14,736</u>	<u>\$ —</u>	<u>\$14,736</u>
Liabilities:				
Interest rate contracts	\$ —	\$ (1,775)	\$ —	\$ (1,775)
Commodity contracts	—	(195)	—	(195)
Foreign exchange contracts	—	(149)	—	(149)
Total Liabilities	<u>\$ —</u>	<u>\$ (2,119)</u>	<u>\$ —</u>	<u>\$ (2,119)</u>

The Company's net derivative portfolio as of September 30, 2013, contains Level 2 instruments and consists of commodity and foreign exchange contracts. The fair values of these instruments as of September 30, 2013 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Commodity contracts	\$ —	\$ 419	\$ —	\$ 419
Foreign exchange contracts	—	1,862	—	1,862
Total Assets	<u>\$ —</u>	<u>\$ 2,281</u>	<u>\$ —</u>	<u>\$ 2,281</u>
Liabilities:				
Commodity contracts	\$ —	\$ (505)	\$ —	\$ (505)
Foreign exchange contracts	—	(9,965)	—	(9,965)
Total Liabilities	<u>\$ —</u>	<u>\$ (10,470)</u>	<u>\$ —</u>	<u>\$ (10,470)</u>

The carrying values of cash and cash equivalents, accounts and notes receivable, accounts payable and short term debt approximate fair value based on the short-term nature of these assets and liabilities. The fair values of long-term publicly traded debt are based on unadjusted quoted market prices (Level 1) and derivative financial instruments are generally based on quoted or observed market prices (Level 2).

The carrying values of goodwill, intangible assets and other long-lived assets are tested annually, or more frequently if an event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3).

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The carrying amounts and fair values of the Company's financial instruments are summarized as follows ((liability)/asset):

	September 30, 2014		September 30, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total debt	\$ (2,990,873)	\$ (3,061,467)	\$ (3,218,863)	\$ (3,297,411)
Interest swap agreements	(1,144)	(1,144)	—	—
Commodity swap and option agreements	1,081	1,081	(86)	(86)
Foreign exchange forward agreements	12,680	12,680	(8,103)	(8,103)

(9) INCOME TAXES

Income tax expense was calculated based upon the following components of income (loss) from continuing operations before income tax:

	2014	2013	2012
Pretax income (loss):			
United States	\$ 83,307	\$(204,365)	\$ (61,879)
Outside the United States	192,803	184,214	175,059
Total pretax income (loss)	<u>\$276,110</u>	<u>\$ (20,151)</u>	<u>\$ 113,180</u>

The components of income tax expense are as follows:

	2014	2013	2012
Current:			
Federal	\$ 6,165	\$ —	\$ —
Foreign	46,578	47,740	38,113
State	4,351	1,274	(361)
Total current	<u>\$57,094</u>	<u>\$ 49,014</u>	<u>\$37,752</u>
Deferred:			
Federal	19,694	(23,397)	20,884
Foreign	(8,186)	2,146	5,190
State	(9,579)	(404)	(3,441)
Total deferred	<u>\$ 1,929</u>	<u>\$(21,655)</u>	<u>\$22,633</u>
Income tax expense	<u>\$59,023</u>	<u>\$ 27,359</u>	<u>\$60,385</u>

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The following reconciles the total income tax expense, based on the U.S. Federal statutory income tax rate of 35%, with the Company's recognized income tax expense:

	2014	2013	2012
U.S. Statutory federal income tax expense (benefit)	\$ 96,638	\$ (7,053)	\$ 39,613
Permanent items	4,643	10,104	8,595
Exempt foreign income	(5,665)	(5,921)	(5,760)
Foreign statutory rate vs. U.S. statutory rate	(23,120)	(19,182)	(15,211)
State income taxes, net of federal expense (benefit)	5,416	(11,686)	(2,164)
Residual tax on foreign earnings	90,939	(6,958)	29,844
FURminator purchase accounting benefit	—	—	(14,511)
HHI Business purchase accounting benefit	—	(49,848)	—
Valuation allowance	(116,482)	111,551	27,007
Unrecognized tax expense (benefit)	529	4,062	(4,386)
Inflationary adjustments	(468)	(245)	(803)
Foreign tax law changes	(7,666)	—	—
Nondeductible share compensation	1,441	1,669	684
Return to provision adjustments and other, net	12,818	866	(2,523)
Income tax expense	<u>\$ 59,023</u>	<u>\$ 27,359</u>	<u>\$ 60,385</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	September 30,	
	2014	2013
Current deferred tax assets:		
Employee benefits	\$ 16,487	\$ 11,372
Restructuring	6,318	7,085
Inventories and receivables	24,906	24,296
Marketing and promotional accruals	15,966	14,146
Other	13,917	22,783
Valuation allowance	(35,725)	(31,864)
Total current deferred tax assets	<u>\$ 41,869</u>	<u>\$ 47,818</u>
Current deferred tax liabilities:		
Inventories and receivables	(745)	(2,748)
Unrealized gains	(1,179)	(373)
Other	(6,018)	(11,738)
Total current deferred tax liabilities	<u>\$ (7,942)</u>	<u>\$ (14,859)</u>
Net current deferred tax assets	<u>\$ 33,927</u>	<u>\$ 32,959</u>
Noncurrent deferred tax assets:		
Employee benefits	\$ 40,523	\$ 35,376
Restructuring and purchase accounting	712	340
Net operating loss and credit carry forwards	502,089	663,610
Prepaid royalty	6,582	6,956
Property, plant and equipment	7,040	9,692
Unrealized losses	279	2,136
Long-term debt	49	668
Intangibles	6,737	3,917
Other	5,217	5,268
Valuation allowance	(290,941)	(416,973)
Total noncurrent deferred tax assets	<u>\$ 278,287</u>	<u>\$ 310,990</u>

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	September 30,	
	2014	2013
Noncurrent deferred tax liabilities:		
Property, plant, and equipment	(22,634)	(27,478)
Unrealized gains	(20,012)	(13,126)
Intangibles	(728,018)	(735,506)
Taxes on unremitted foreign earnings	(2,648)	(18,581)
Other	(8,173)	(9,073)
Total noncurrent deferred tax liabilities	<u>\$(781,485)</u>	<u>\$ (803,764)</u>
Net noncurrent deferred tax liabilities	<u>\$(503,198)</u>	<u>\$ (492,774)</u>
Net current and noncurrent deferred tax liabilities	<u>\$(469,271)</u>	<u>\$ (459,815)</u>

In Fiscal 2012, the Company began recording residual U.S. and foreign taxes on undistributed foreign earnings as a result of its change in position regarding future repatriation and the requirements of ASC Topic 740: "Income Taxes" on a prospective basis. To the extent necessary, the Company intends to utilize earnings of foreign subsidiaries in order to support management's plans to voluntarily accelerate pay down of U.S. debt, fund distributions to shareholders, fund U.S. acquisitions and satisfy ongoing U.S. operational cash flow requirements. As a result, current and certain prior period earnings of the Company's non-U.S. subsidiaries are generally not considered to be permanently reinvested, except in jurisdictions where repatriation is either precluded or restricted by law. The Company annually estimates the available earnings, permanent reinvestment classification and the availability of and management's intent to use alternative mechanisms for repatriation for each jurisdiction in which the Company does business. Accordingly, the Company is providing residual U.S. and foreign deferred taxes on these earnings to the extent they cannot be repatriated in a tax-free manner. As of September 30, 2014, the Company has provided residual taxes on approximately \$190,497 of Fiscal 2014 distributions of foreign earnings, and \$3,059 of earnings not yet taxed in the U.S. resulting in a Fiscal 2014 increase in tax expense, net of a corresponding adjustment to the Company's domestic valuation allowance, of approximately \$74. As of September 30, 2013, the Company had recorded residual U.S. and foreign taxes on approximately \$12,506 of Fiscal 2013 distributions and \$45,735 of earnings not yet taxed in the U.S., resulting in a Fiscal 2013 increase in tax expense, net of a corresponding adjustment to the Company's domestic valuation allowance, of approximately \$109. As of September 30, 2012, the Company recorded residual U.S. and foreign taxes on approximately \$21,163 of Fiscal 2012 distributions of foreign earnings and \$76,574 of earnings not yet taxed in the U.S. resulting in a Fiscal 2012 increase in tax expense, net of a corresponding adjustment to the Company's domestic valuation allowance, of approximately \$3,278. During Fiscal 2014, \$178,716 of the distributions related to one time internal restructuring and external debt refinancing activities. Due to the U.S. valuation allowance, these activities did not result in a Fiscal 2014 tax increase. Fiscal 2013 and 2012 distributions were primarily non-cash deemed distributions under U.S. tax law.

Remaining undistributed earnings of the Company's foreign operations are approximately \$351,483 at September 30, 2014, and are intended to remain permanently invested. Accordingly, no residual income taxes have been provided on those earnings at September 30, 2014. If at some future date these earnings cease to be permanently invested, the Company may be subject to U.S. income taxes and foreign withholding and other taxes on such amounts, which cannot be reasonably estimated at this time.

As of September 30, 2014, the Company has U.S. federal net operating loss carryforwards ("NOLs") of approximately \$1,083,932 with a federal tax benefit of \$379,376 and tax benefits related to state NOLs of \$70,285. The Company has an additional \$45,539 of federal and state NOLs for which benefits will be recorded to Additional paid-in capital when these carryforwards are used. These net operating loss carryforwards expire through years ending in 2034. As of September 30, 2014, the Company has foreign NOLs of approximately \$106,496 which will expire beginning in the Company's fiscal year ending September 30, 2015. Certain of the foreign NOLs have indefinite carryforward periods. The Company is subject to an annual limitation on the use of

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its NOLs that arose prior to its emergence from bankruptcy in the fiscal year ended September 30, 2009. The Company has had multiple changes of ownership, as defined under Section 382 of the Internal Revenue Code of 1986, as amended, that subject the Company's U.S. federal and state NOLs and other tax attributes to certain limitations. The annual limitation is based on a number of factors including the value of the Company's stock (as defined for tax purposes) on the date of the ownership change, its net unrealized gain position on that date, the occurrence of realized gains in years subsequent to the ownership change and the effects of subsequent ownership changes (as defined for tax purposes), if any. Due to these limitations, the Company estimates, as of September 30, 2014, that \$301,749 of the total U.S. federal NOLs with a federal tax benefit of \$105,612 and \$16,812 of the tax benefit related to state NOLs will expire unused even if the Company generates sufficient income to otherwise use all of its NOLs. In addition, separate return year limitations apply to limit the Company's utilization of the acquired Russell Hobbs U.S. federal and state NOLs to future income of the Russell Hobbs subgroup. The Company also projects, as of September 30, 2014, that \$88,769 of foreign NOLs will not be used. The Company has provided a full valuation allowance against these deferred tax assets.

A valuation allowance is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets depends on the ability of the Company to generate sufficient taxable income of the appropriate character in the future and in the appropriate taxing jurisdictions. As of September 30, 2014 and September 30, 2013, the Company's valuation allowance, established for the tax benefit that may not be realized, totaled approximately \$326,666 and \$448,837, respectively. As of September 30, 2014 and September 30, 2013, approximately \$292,691 and \$415,994, respectively, related to U.S. net deferred tax assets, and approximately \$33,975 and \$32,843, respectively, related to foreign net deferred tax assets. The net decrease in the valuation allowance for deferred tax assets during Fiscal 2014 totaled approximately \$122,171, of which approximately \$123,303 related to a decrease in the valuation allowance against U.S. net deferred tax assets, and approximately \$1,132 related to an increase in the valuation allowance against foreign net deferred tax assets. As a result of the one time internal restructuring and debt refinancing activities, the Company reversed \$62,551 of U.S. valuation allowance during Fiscal 2014. As a result of the purchase of HHI Business, the Company reversed \$49,848 of U.S. valuation allowance during Fiscal 2013. The reversal was attributable to \$49,848 of net deferred tax liabilities recorded on the HHI Business purchase accounting balance sheet which offset other U.S. net deferred tax assets. As a result of the purchase of FURminator, the Company reversed \$14,511 of U.S. valuation allowance during Fiscal 2012. The reversal was attributable to \$14,511 of net deferred tax liabilities recorded on the FURminator purchase accounting balance sheet which offset other U.S. net deferred tax assets.

The total amount of unrecognized tax benefits on the Company's Consolidated Statements of Financial Position at September 30, 2014 and September 30, 2013 are \$11,333 and \$13,807, respectively. If recognized in the future, \$7,991 of the unrecognized tax benefits as of September 30, 2014 will impact the effective tax rate and \$3,342 of unrecognized tax benefits would create deferred tax assets against which the Company would have a full valuation allowance. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of September 30, 2014 and September 30, 2013 the Company had approximately \$3,512 and \$3,671, respectively, of accrued interest and penalties related to uncertain tax positions. The impact related to interest and penalties on the Consolidated Statement of Operations for Fiscal 2014 was a net increase to Income tax expense of \$1,116. The impact related to interest and penalties on the Consolidated Statement of Operations for Fiscal 2013 was a net decrease to Income tax expense of \$8. The impact related to interest and penalties on the Consolidated Statement of Operations for Fiscal 2012 was a net decrease to Income tax expense of \$1,184.

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The following table summarizes the changes to the amount of unrecognized tax benefits for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

Unrecognized tax benefits at September 30, 2011	\$ 9,013
Gross increase—tax positions in prior period	773
Gross decrease—tax positions in prior period	(1,308)
Gross increase—tax positions in current period	776
Settlements	(1,737)
Lapse of statutes of limitations	<u>(1,640)</u>
Unrecognized tax benefits at September 30, 2012	\$ 5,877
Gross increase—tax positions in prior period	9,104
Gross decrease—tax positions in prior period	(327)
Gross increase—tax positions in current period	516
Settlements	(15)
Lapse of statutes of limitations	<u>(1,348)</u>
Unrecognized tax benefits at September 30, 2013	\$13,807
Gross increase—tax positions in prior period	1,548
Gross decrease—tax positions in prior period	(1,380)
Gross increase—tax positions in current period	714
Settlements	(2,515)
Lapse of statutes of limitations	<u>(841)</u>
Unrecognized tax benefits at September 30, 2014	<u>\$11,333</u>

The Company files income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdictions and is subject to ongoing examination by the various taxing authorities. The Company's major taxing jurisdictions are the U.S., United Kingdom and Germany. In the U.S., federal tax filings for years prior to and including the Company's fiscal year ended September 30, 2010 are closed. However, the federal NOLs from the Company's fiscal years ended September 30, 2010 and prior are subject to Internal Revenue Service ("IRS") examination until the year that such net operating loss carryforwards are utilized and those years are closed for audit. The Company's fiscal years ended September 30, 2011, 2012, 2013 and 2014 remain open to examination by the IRS. Filings in various U.S. state and local jurisdictions are also subject to audit and to date no significant audit matters have arisen.

As of September 30, 2014, certain of the Company's legal entities are undergoing income tax audits. The Company cannot predict the ultimate outcome of the examinations; however, it is reasonably possible that during the next twelve months some portion of previously unrecognized tax benefits could be recognized.

(10) EMPLOYEE BENEFIT PLANS

Pension Benefits

The Company has various defined benefit pension plans covering some of its employees in the United States and certain employees in other countries, primarily the United Kingdom and Germany. Plans generally provide benefits of stated amounts for each year of service. The Company funds its U.S. pension plans in accordance with the requirements of the defined benefit pension plans and, where applicable, in amounts sufficient to satisfy the minimum funding requirements of applicable laws. Additionally, in compliance with the Company's funding policy, annual contributions to non-U.S. defined benefit plans are equal to the actuarial recommendations or statutory requirements in the respective countries.

The Company also sponsors or participates in a number of other non-U.S. pension arrangements, including various retirement and termination benefit plans, some of which are covered by local law or coordinated with

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government-sponsored plans, which are not significant in the aggregate and therefore are not included in the information presented below. The Company also has various nonqualified deferred compensation agreements with certain of its employees. Under certain of these agreements, the Company has agreed to pay certain amounts annually for the first 15 years subsequent to retirement or to a designated beneficiary upon death. It is management's intent that life insurance contracts owned by the Company will fund these agreements. Under the remaining agreements, the Company has agreed to pay such deferred amounts in up to 15 annual installments beginning on a date specified by the employee, subsequent to retirement or disability, or to a designated beneficiary upon death.

Other Benefits

Under the Rayovac postretirement plan, the Company provides certain health care and life insurance benefits to eligible retired employees. Participants earn retiree health care benefits after reaching age 40 over the next 10 succeeding years of service, and remain eligible until reaching age 65. The plan is contributory; retiree contributions have been established as a flat dollar amount with contribution rates expected to increase at the active medical trend rate. The plan is unfunded. The Company is amortizing the transition obligation over a 20-year period.

The following tables provide additional information on the Company's pension and other postretirement benefit plans:

	Pension and Deferred Compensation Benefits		Other Benefits	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Changes in benefit obligation				
Benefit obligation, beginning of year	\$ 256,142	\$ 240,806	\$ 403	\$ 566
Liabilities assumed through acquisitions	—	14,716	—	—
Service cost	3,191	3,061	—	9
Interest cost	10,361	9,886	18	22
Actuarial (gain) loss	12,923	1,851	7	(58)
Participant contributions	34	59	—	—
Curtailments	—	(1,507)	—	(135)
Benefits paid	(9,694)	(15,925)	(1)	(1)
Foreign currency exchange rate changes	(5,940)	3,195	—	—
Benefit obligation, end of year	<u>\$ 267,017</u>	<u>\$ 256,142</u>	<u>\$ 427</u>	<u>\$ 403</u>
Changes in plan assets				
Fair value of plan assets, beginning of year	\$ 175,484	\$ 153,927	\$ —	\$ —
Assets acquired through acquisitions	—	6,680	—	—
Actual return on plan assets	12,487	16,759	—	—
Employer contributions	12,985	12,316	1	1
Employee contributions	34	59	—	—
Benefits paid	(9,694)	(15,925)	(1)	(1)
Foreign currency exchange rate changes	(2,434)	1,668	—	—
Fair value of plan assets, end of year	<u>\$ 188,862</u>	<u>\$ 175,484</u>	<u>\$ —</u>	<u>\$ —</u>
Accrued Benefit Cost	<u>\$ (78,155)</u>	<u>\$ (80,658)</u>	<u>\$(427)</u>	<u>\$(403)</u>
Range of assumptions:				
Discount rate	2.0% - 13.5%	1.8% - 13.0%	4.7%	4.7%
Expected return on plan assets	2.0% - 7.5%	3.6% - 7.8%	N/A	N/A
Rate of compensation increase	2.3% - 5.5%	2.3% - 5.5%	N/A	N/A

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The net underfunded status as of September 30, 2014 and September 30, 2013 of \$78,155 and \$80,658, respectively, is recognized in the accompanying Consolidated Statements of Financial Position within Employee benefit obligations, net of current portion. Included in the Company's AOCI as of September 30, 2014 and September 30, 2013 are unrecognized net losses of \$32,797, net of tax benefit of \$797 and \$29,180, net of tax expense of \$817, respectively, which have not yet been recognized as components of net periodic pension cost. The net loss in AOCI expected to be recognized during Fiscal 2015 is \$1,515.

At September 30, 2014, the Company's total pension and deferred compensation benefit obligation of \$267,017 consisted of \$70,892 associated with U.S. plans and \$196,125 associated with international plans. The fair value of the Company's pension and deferred compensation benefit assets of \$188,862 consisted of \$62,404 associated with U.S. plans and \$126,458 associated with international plans. The weighted average discount rate used for the Company's domestic plans was approximately 4.2% and approximately 3.3% for its international plans. The weighted average expected return on plan assets used for the Company's domestic plans was approximately 7.5% and approximately 4.3% for its international plans.

At September 30, 2013, the Company's total pension and deferred compensation benefit obligation of \$256,142 consisted of \$66,895 associated with U.S. plans and \$189,247 associated with international plans. The fair value of the Company's pension and deferred compensation benefit assets of \$175,484 consisted of \$58,458 associated with U.S. plans and \$117,026 associated with international plans. The weighted average discount rate used for the Company's domestic plans was approximately 3.8% and approximately 3.9% for its international plans. The weighted average expected return on plan assets used for the Company's domestic plans was approximately 7.8% and approximately 4.7% for its international plans.

Net periodic benefit cost for Fiscal 2014, Fiscal 2013 and Fiscal 2012 included the following components:

Components of net periodic benefit cost	Pension and Deferred Compensation Benefits			Other Benefits		
	2014	2013	2012	2014	2013	2012
Service cost	\$ 3,191	\$ 3,061	\$ 2,048	\$—	\$ 9	\$ 12
Interest cost	10,361	9,886	10,593	18	22	27
Expected return on assets	(9,894)	(8,667)	(8,225)	—	—	—
Amortization of prior year service cost	—	—	72	—	—	—
Curtailement gain	(93)	(752)	—	—	—	—
Recognized net actuarial (gain) loss	1,461	2,112	828	—	8	(54)
Net periodic benefit cost (benefit)	<u>\$ 5,026</u>	<u>\$ 5,640</u>	<u>\$ 5,316</u>	<u>\$ 18</u>	<u>\$ 39</u>	<u>\$ (15)</u>

The discount rate is used to calculate the projected benefit obligation. The discount rate used is based on the rate of return on government bonds as well as current market conditions of the respective countries where the plans are established.

Below is a summary allocation of all pension plan assets as of the measurement date.

Asset Category	Weighted Average Allocation		
	Target 2014	Actual 2014	Actual 2013
Equity Securities	0 - 60%	25%	47%
Fixed Income Securities	0 - 40%	27%	21%
Other	0 - 100%	48%	32%
Total	<u>100%</u>	<u>100 %</u>	<u>100%</u>

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The weighted average expected long-term rate of return on total assets is 5.4%.

The Company has established formal investment policies for the assets associated with these plans. Policy objectives include maximizing long-term return at acceptable risk levels, diversifying among asset classes, if appropriate, and among investment managers, as well as establishing relevant risk parameters within each asset class. Specific asset class targets are based on the results of periodic asset/liability studies. The investment policies permit variances from the targets within certain parameters. The weighted average expected long-term rate of return is based on a Fiscal 2014 review of such rates. The plan assets currently do not include holdings of SB Holdings common stock.

The Company's pension plan assets have a diversified portfolio of investments in U.S. and foreign equity and debt securities. In addition, the plan assets are invested in real estate mutual funds, life insurance contracts and private equity funds.

The following table sets forth the fair value of the Company's pension plan assets as of September 30, 2014 segregated by level within the fair value hierarchy. See Note 8, "Fair Value of Financial Instruments," for discussion of the fair value hierarchy and fair value principles:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Defined Benefit Plan Assets:				
Equity Securities				
U.S. equity securities	\$19,949	\$ 7,098	\$ —	\$ 27,047
Foreign equity securities	11,100	7,551	—	18,651
Debt Securities				
U.S. bonds	4,026	15,196	—	19,222
Foreign bonds	3,131	20,463	—	23,594
Foreign government bonds	—	8,565	—	8,565
Real estate	1,254	5,889	—	7,143
Life insurance contracts	—	37,734	—	37,734
Other	—	38,688	—	38,688
Foreign cash & cash equivalents	6,368	1,850	—	8,218
Total Defined Benefit Plan Assets	<u>\$45,828</u>	<u>\$143,034</u>	<u>\$ —</u>	<u>\$188,862</u>

The following table sets forth the fair value of the Company's pension plan assets as of September 30, 2013 segregated by level within the fair value hierarchy.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Defined Benefit Plan Assets:				
Equity Securities				
U.S. equity securities	\$18,497	\$ 15,458	\$ —	\$ 33,955
Foreign equity securities	10,792	37,641	—	48,433
Debt Securities				
U.S. bonds	2,279	15,578	—	17,857
Foreign bonds	—	10,688	—	10,688
Foreign government bonds	—	7,994	—	7,994
Real estate	1,204	5,391	—	6,595
Life insurance contracts	—	37,690	—	37,690
Other	—	355	—	355
Foreign cash & cash equivalents	6,658	5,259	—	11,917
Total Defined Benefit Plan Assets	<u>\$39,430</u>	<u>\$136,054</u>	<u>\$ —</u>	<u>\$175,484</u>

The Company's expected future pension benefit payments for Fiscal 2015 through its fiscal year 2024 are as follows:

2015	\$12,288
2016	10,548
2017	10,743
2018	11,244
2019	12,275
2020-2024	65,315

The Company sponsors a defined contribution pension plan for its domestic salaried employees, which allows participants to make contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. The Company also sponsors defined contribution pension plans for employees of certain foreign subsidiaries. Company contributions charged to operations, including discretionary amounts, for Fiscal 2014, Fiscal 2013 and Fiscal 2012 were \$12,318, \$11,095 and \$1,935, respectively.

(11) SEGMENT INFORMATION

The Company manages its business in four vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden; and (iv) Hardware & Home Improvement.

The results of the HHI Business are included in the Company's Consolidated Statement of Operations as of and subsequent to December 17, 2012. The results of TLM Taiwan are included in the Company's Consolidated Statement of Operations as of and subsequent to its acquisition on April 8, 2013. The financial results related to the HHI Business are reported as a separate business segment, Hardware & Home Improvement.

Global strategic initiatives and financial objectives for each reportable segment are determined at the corporate level. Each reportable segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives, and has a general manager responsible for the sales and marketing initiatives and financial results for product lines within that segment.

Net sales and Cost of goods sold to other business segments have been eliminated. The gross contribution of intersegment sales is included in the segment selling the product to the external customer. Segment net sales are based upon the segment from which the product is shipped.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, impairment charges, interest expense, interest income and income tax expense. Expenses associated with certain general and administrative functions necessary to reflect the operating segments on a standalone basis have also been excluded in the determination of reportable segment profits. Corporate expenses primarily include general and administrative expenses and the costs of global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to the Company's operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are identified to operating segments or corporate expense according to the function of each cost center.

All capital expenditures are related to operating segments. Variable allocations of assets are not made for segment reporting.

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Segment information for the Company for Fiscal 2014, Fiscal 2013 and Fiscal 2012, is as follows.

Net sales to external customers

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Consumer batteries	\$ 957,837	\$ 931,647	\$ 948,652
Small appliances	730,783	740,289	771,568
Electric shaving and grooming	278,315	276,783	279,468
Electric personal care	<u>263,775</u>	<u>254,858</u>	<u>250,251</u>
Global Batteries & Appliances	2,230,710	2,203,577	2,249,939
Hardware & Home Improvement	1,165,996	869,631	—
Global Pet Supplies	600,537	621,834	615,508
Home and Garden	<u>431,866</u>	<u>390,539</u>	<u>386,988</u>
Total segments	<u>\$ 4,429,109</u>	<u>\$ 4,085,581</u>	<u>\$ 3,252,435</u>

Depreciation and amortization

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Global Batteries & Appliances	\$ 73,077	\$ 67,229	\$ 63,618
Hardware & Home Improvement	40,388	31,364	—
Global Pet Supplies	31,565	29,615	27,702
Home and Garden Business	<u>12,600</u>	<u>11,685</u>	<u>13,296</u>
Total segments	157,630	139,893	104,616
Corporate	<u>—</u>	<u>—</u>	<u>—</u>
Total Depreciation and amortization	<u>\$ 157,630</u>	<u>\$ 139,893</u>	<u>\$ 104,616</u>

Segment profit

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Global Batteries & Appliances	\$ 256,524	\$ 237,544	\$ 244,442
Hardware & Home Improvement	172,217	88,668	—
Global Pet Supplies	82,371	91,080	85,866
Home and Garden	<u>89,255</u>	<u>78,483</u>	<u>73,609</u>
Total segments	600,367	495,775	403,917
Corporate expense	72,856	60,444	47,204
Acquisition and integration related charges	20,102	48,445	31,066
Restructuring and related charges	22,895	34,012	19,591
Interest expense	202,118	369,519	191,998
Other expense, net	<u>6,286</u>	<u>3,506</u>	<u>878</u>
Income (loss) from continuing operations before income taxes	<u>\$ 276,110</u>	<u>\$ (20,151)</u>	<u>\$ 113,180</u>

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Segment total assets

	September 30,	
	2014	2013
Global Batteries & Appliances	\$ 2,152,003	\$ 2,360,733
Hardware & Home Improvement	1,629,020	1,735,629
Global Pet Supplies	890,372	948,832
Home and Garden	526,596	500,559
Total segment assets	5,197,991	5,545,753
Corporate	313,357	73,291
Total assets at period end	<u>\$ 5,511,348</u>	<u>\$ 5,619,044</u>

Capital expenditures

	2014	2013	2012
Global Batteries & Appliances	\$40,347	\$47,928	\$36,271
Hardware & Home Improvement	21,167	23,385	—
Global Pet Supplies	5,267	8,268	7,447
Home and Garden Business	6,566	2,395	3,091
Total segments	73,347	81,976	46,809
Corporate	—	—	—
Total Capital expenditures	<u>\$73,347</u>	<u>\$81,976</u>	<u>\$46,809</u>

Geographic Disclosures—Net sales to external customers

	2014	2013	2012
United States	\$ 2,640,698	\$ 2,411,409	\$ 1,772,138
Outside the United States	1,788,411	1,674,172	1,480,297
Total net sales to external customers	<u>\$ 4,429,109</u>	<u>\$ 4,085,581</u>	<u>\$ 3,252,435</u>

Geographic Disclosures—Property, plant and equipment, net

	September 30,	
	2014	2013
United States	\$ 253,234	\$ 230,866
Outside the United States	175,643	181,685
Long-lived assets at year end	<u>\$ 428,877</u>	<u>\$ 412,551</u>

(12) COMMITMENTS AND CONTINGENCIES

The Company has provided for the estimated costs associated with environmental remediation activities at some of its current and former manufacturing sites. The Company believes that any additional liability in excess of the amounts provided of approximately \$4,615, which may result from resolution of these matters, will not have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

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The Company is a defendant in various litigation matters generally arising out of the ordinary course of business. The Company does not believe that any of the matters or proceedings presently pending will have a material adverse effect on its results of operations, financial condition, liquidity or cash flows.

The Company's minimum rent payments under operating leases are recognized on a straight-line basis over the term of the leases. Future minimum rental commitments under non-cancelable operating leases, principally pertaining to land, buildings and equipment, are as follows:

2015	\$ 37,202
2016	33,246
2017	28,373
2018	19,034
2019	14,361
Thereafter	31,872
Total minimum lease payments	<u>\$ 164,088</u>

All of the leases expire between October 2014 and July 2024. The Company's total rent expense was \$40,775, \$41,829 and \$34,327 during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively.

(13) RELATED PARTY TRANSACTIONS

Merger Agreement and Registration Rights Agreement

On June 16, 2010 (the "Closing Date"), SB Holdings completed the merger with Russell Hobbs, Inc. ("Russell Hobbs")(the "Merger") pursuant to the Agreement and Plan of Merger, dated as of February 9, 2010, as amended on March 1, 2010, March 26, 2010 and April 30, 2010, by and among SB Holdings, Russell Hobbs, Spectrum Brands, Battery Merger Corp. and Grill Merger Corp. (the "Merger Agreement"). In connection with the Merger, the Harbinger Parties and SB Holdings entered into a stockholder agreement, dated February 9, 2010 (the "Stockholder Agreement"), which provides for certain protective provisions in favor of minority stockholders and provides certain rights and imposes certain obligations on the Harbinger Parties, including:

- for so long as the Harbinger Parties and their affiliates beneficially own 40% or more of the outstanding voting securities of SB Holdings, the Harbinger Parties and the Company will cooperate to ensure, to the greatest extent possible, the continuation of the structure of the SB Holdings board of directors as described in the Stockholder Agreement;
- the Harbinger Parties will not effect any transfer of equity securities of SB Holdings to any person that would result in such person and its affiliates owning 40% or more of the outstanding voting securities of SB Holdings, unless specified conditions are met; and
- the Harbinger Parties will be granted certain access and informational rights with respect to SB Holdings and its subsidiaries.

Pursuant to a joinder to the Stockholder Agreement entered into by the Harbinger Parties and Harbinger Group, Inc. ("HRG") upon consummation of the Share Exchange, HRG became a party to the Stockholder Agreement, and is subject to all of the covenants, terms and conditions of the Stockholder Agreement to the same extent as the Harbinger Parties were bound thereunder prior to giving effect to the Share Exchange.

Certain provisions of the Stockholder Agreement terminate on the date on which the Harbinger Parties or HRG no longer constitutes a Significant Stockholder (as defined in the Stockholder Agreement). The Stockholder Agreement terminates when any person (including the Harbinger Parties or HRG) acquires 90% or more of the outstanding voting securities of SB Holdings.

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Also in connection with the Merger, the Harbinger Parties and SB Holdings entered into a registration rights agreement, dated as of February 9, 2010 (the “SB Holdings Registration Rights Agreement”), pursuant to which the Harbinger Parties have, among other things and subject to the terms and conditions set forth therein, certain demand and so-called “piggy back” registration rights with respect to their shares of SB Holdings common stock. On September 10, 2010, the Harbinger Parties and HRG entered into a joinder to the SB Holdings Registration Rights Agreement, pursuant to which, effective upon the consummation of the Share Exchange, HRG became a party to the SB Holdings Registration Rights Agreement, entitled to the rights and subject to the obligations of a holder thereunder.

(14) RESTRUCTURING AND RELATED CHARGES

The Company reports restructuring and related charges associated with manufacturing and related initiatives in Cost of goods sold. Restructuring and related charges reflected in Cost of goods sold include, but are not limited to, termination, compensation and related costs associated with manufacturing employees, asset impairments relating to manufacturing initiatives, and other costs directly related to the restructuring or integration initiatives implemented.

The Company reports restructuring and related charges associated with administrative functions, such as initiatives impacting sales, marketing, distribution, or other non-manufacturing functions, in Operating expenses. Restructuring and related charges reflected in Operating expenses include, but are not limited to, termination and related costs, any asset impairments relating to the functional areas described above, and other costs directly related to the initiatives.

The following table summarizes restructuring and related charges incurred by segment for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cost of goods sold:			
Global Batteries & Appliances	\$ 648	\$ 1,143	\$ 5,094
Hardware & Home Improvement	2,641	6,246	—
Global Pet Supplies	<u>424</u>	<u>2,595</u>	<u>4,741</u>
Total restructuring and related charges in cost of goods sold	\$ 3,713	\$ 9,984	\$ 9,835
Operating expenses:			
Global Batteries & Appliances	\$10,458	\$13,627	\$ 2,487
Hardware & Home Improvement	5,628	—	—
Global Pet Supplies	2,563	8,556	5,395
Home and Garden	—	598	912
Corporate	<u>533</u>	<u>1,247</u>	<u>962</u>
Total restructuring and related charges in operating expenses	<u>\$19,182</u>	<u>\$24,028</u>	<u>\$ 9,756</u>
Total restructuring and related charges	<u>\$22,895</u>	<u>\$34,012</u>	<u>\$19,591</u>

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The following table summarizes restructuring and related charges incurred by type of charge:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cost of goods sold:			
Global Expense Rationalization initiatives:			
Termination benefits	\$ 971	\$ 2	\$ —
Other associated costs	37	—	—
Global Cost Reduction initiatives:			
Termination benefits	2	228	2,941
Other associated costs	62	3,330	6,894
Other restructuring initiatives:			
Termination benefits	—	146	—
Other associated costs	<u>2,641</u>	<u>6,278</u>	<u>—</u>
Total included in cost of goods sold	\$ 3,713	\$ 9,984	\$ 9,835
Costs included in operating expenses:			
HHI Business Rationalization initiatives:			
Termination benefits	\$ 4,511	\$ —	\$ —
Global Expense Rationalization initiatives:			
Termination benefits	5,497	10,259	—
Other associated costs	6,868	1,056	—
Global Cost Reduction initiatives:			
Termination benefits	244	6,351	3,079
Other associated costs	1,010	6,443	5,776
Other restructuring initiatives:			
Other associated costs	<u>1,052</u>	<u>(81)</u>	<u>901</u>
Total included in operating expenses	<u>\$19,182</u>	<u>\$24,028</u>	<u>\$ 9,756</u>
Total restructuring and related charges	<u>\$22,895</u>	<u>\$34,012</u>	<u>\$19,591</u>

HHI Business Rationalization Initiatives

During the fourth quarter of Fiscal 2014, the Company implemented a series of initiatives throughout the Hardware & Home Improvement business segment to reduce operating costs and exit low margin business outside the U.S. (the “HHI Business Rationalization Initiatives”). These initiatives include headcount reductions, the exit of certain facilities and the sale of a portion of the Hardware & Home Improvement operations in Canada. Costs associated with these initiatives, which are expected to be incurred through September 30, 2016, are projected to total approximately \$9,000.

The Company recorded \$4,511 of pretax restructuring and related charges during Fiscal 2014 related to the HHI Business Rationalization Initiatives.

Global Expense Rationalization Initiatives Summary

During the third quarter of the fiscal year ended September 30, 2013, the Company implemented a series of initiatives throughout the Company to reduce operating costs (the “Global Expense Rationalization Initiatives”). These initiatives consist of headcount reductions in the Global Batteries & Appliances and Global Pet Supplies segments and in Corporate. Costs associated with these initiatives, which are expected to be incurred through September 30, 2015, are currently projected to total approximately \$46,500.

The Company recorded \$13,373 and \$11,317 of pretax restructuring and related charges during Fiscal 2014 and Fiscal 2013 and no pretax restructuring and related charges during Fiscal 2012, related to the Global Expense Rationalization Initiatives.

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The following table summarizes the remaining accrual balance associated with the Global Expense Rationalization Initiatives and the activity during Fiscal 2014:

	Termination Benefits	Other Costs	Total
Accrual balance at September 30, 2013	\$ 7,320	\$ (35)	\$ 7,285
Provisions	3,462	1,490	4,952
Cash expenditures	(7,041)	—	(7,041)
Non-cash items	303	(26)	277
Accrual balance at September 30, 2014	<u>\$ 4,044</u>	<u>\$ 1,429</u>	<u>\$ 5,473</u>
Expensed as incurred(A)	\$ 3,006	\$ 5,415	\$ 8,421

(A) Consists of amounts not impacting the accrual for restructuring and related charges.

The following table summarizes the expenses incurred during Fiscal 2014, the cumulative amount incurred to date and the total future expected costs to be incurred associated with the Global Expense Rationalization Initiatives by operating segment:

	Global Batteries & Appliances	Global Pet Supplies	Corporate	Total
Restructuring and related charges during fiscal 2014	\$ 11,072	\$ 1,768	\$ 533	\$13,373
Restructuring and related charges since initiative inception	\$ 21,142	\$ 1,768	\$ 1,781	\$24,691
Total future restructuring and related charges expected	\$ 13,483	\$ 5,748	\$ 2,495	\$21,726

Global Cost Reduction Initiatives Summary

During the fiscal year ended September 30, 2009, the Company implemented a series of initiatives within the Global Batteries & Appliances segment, the Global Pet Supplies segment and the Home and Garden Business segment to reduce operating costs, and to evaluate opportunities to improve the Company's capital structure (the "Global Cost Reduction Initiatives"). These initiatives included headcount reductions and the exit of certain facilities within each of these segments. These initiatives also included consultation, legal and accounting fees related to the evaluation of the Company's capital structure. Costs associated with these initiatives, which are expected to be incurred through January 31, 2015, are projected to total approximately \$105,000.

The Company recorded \$1,318, \$16,352 and \$18,690 of pretax restructuring and related charges during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively, related to the Global Cost Reduction Initiatives.

The following table summarizes the remaining accrual balance associated with the Global Cost Reduction Initiatives and the activity during Fiscal 2014:

	Termination Benefits	Other Costs	Total
Accrual balance at September 30, 2013	\$ 4,927	\$ 424	\$ 5,351
Provisions	232	2	234
Cash expenditures	(3,541)	(741)	(4,282)
Non-cash items	(289)	475	186
Accrual balance at September 30, 2014	<u>\$ 1,329</u>	<u>\$ 160</u>	<u>\$ 1,489</u>
Expensed as incurred(A)	\$ 17	\$ 1,067	\$ 1,084

(A) Consists of amounts not impacting the accrual for restructuring and related charges.

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The following table summarizes the expenses incurred during Fiscal 2014, the cumulative amount incurred to date and the total future expected costs to be incurred associated with the Global Cost Reduction Initiatives by operating segment:

	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Corporate	Total
Restructuring and related charges during fiscal 2014	\$ 99	\$ 1,219	\$ —	\$ —	\$ 1,318
Restructuring and related charges since initiative inception	\$ 25,512	\$ 49,368	\$ 18,219	\$ 7,591	\$100,690
Total future restructuring and related charges expected	\$ 767	\$ 3,618	\$ —	\$ —	\$ 4,385

The Company recorded \$3,759 and \$6,228 of restructuring and related charges during Fiscal 2014 and Fiscal 2013 and no restructuring and related charges during Fiscal 2012, related to initiatives implemented by the HHI Business prior to the Company's acquisition on December 17, 2012.

In connection with other restructuring efforts, the Company recorded \$(66), \$115 and \$901 during Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively.

(15) ACQUISITIONS

In accordance with ASC Topic 805, "Business Combinations" ("ASC 805"), the Company accounts for acquisitions by applying the acquisition method of accounting. The acquisition method of accounting requires, among other things, that the assets acquired and liabilities assumed in a business combination be measured at their fair values as of the closing date of the acquisition.

HHI Business

On December 17, 2012, the Company completed the cash acquisition of the HHI Business from Stanley Black & Decker. A portion of the HHI Business, consisting of the purchase of certain assets of TLM Taiwan, closed on April 8, 2013. The HHI Business is a major manufacturer and supplier of residential locksets, residential builders' hardware and faucets with a portfolio of recognized brand names, including Kwikset, Weiser, Baldwin, National Hardware, Stanley and Pfister, as well as patented technologies such as the SmartKey, a re-keyable lockset technology, and Smart Code Home Connect. Customers of the HHI Business include retailers, non-retail distributors and homebuilders. Headquartered in Lake Forest, California, the HHI Business has a global sales force and operates manufacturing and distribution facilities in the U.S., Canada, Mexico and Asia.

The results of the HHI Business are included in the Company's Consolidated Statements of Operations as of and subsequent to December 17, 2012, the date of the acquisition. The results of the TLM Business are included in the Company's Consolidated Statements of Operations as of and subsequent to its acquisition on April 8, 2013. The financial results of the HHI Business are reported as a separate business segment, Hardware & Home Improvement.

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Supplemental Pro Forma Information (Unaudited)

The following reflects the Company's pro forma results had the results of the HHI Business been included for all periods presented.

	<u>2013</u>	<u>2012</u>
Net sales:		
Reported Net sales	\$ 4,085,581	\$ 3,252,435
HHI Business adjustment ⁽¹⁾	<u>191,777</u>	<u>973,648</u>
Pro forma Net sales	<u>\$ 4,277,358</u>	<u>\$ 4,226,083</u>
Net (loss) income:		
Reported Net (loss) income ⁽²⁾⁽³⁾	\$ (47,510)	\$ 52,795
HHI Business adjustment ⁽¹⁾	<u>4,942</u>	<u>76,120</u>
Pro forma Net (loss) income	<u>\$ (42,568)</u>	<u>\$ 128,915</u>

- (1) The results related to the HHI Business adjustment do not reflect the TLM Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the operating results of the Company.
- (2) Included in Reported Net (loss) income for Fiscal 2013, is an adjustment of \$49,848 to record the income tax benefit resulting from the reversal of U.S. valuation allowances on deferred tax assets as a result of the HHI Business acquisition. For information pertaining to the income tax benefit, see Note 9, "Income Taxes."
- (3) Included in Reported Net (loss) income for Fiscal 2013 is \$36,932, of Acquisition and integration related charges as a result of the HHI Business acquisition. For information pertaining to Acquisition and integration related charges, see Note 2, "Significant Accounting Policies—Acquisition and Integration Related Charges."

Liquid Fence

On January 2, 2014, the Company completed the acquisition of Liquid Fence, a producer of animal repellents. The value of the consideration given in this acquisition, net of working capital adjustments, was \$35,845 and is not significant individually, therefore, pro forma results are not presented.

The following table summarizes the consideration paid for Liquid Fence:

Cash paid to seller at close	\$24,800
Promissory note due to seller	9,500
Contingent consideration	1,500
Working capital adjustment	<u>45</u>
Purchase price	<u>\$35,845</u>

The promissory note will be paid in four semi-annual installments over 24 months from the close of the transaction.

The results of Liquid Fence's operations since January 2, 2014 are included in the Company's Consolidated Statements of Operations and are reported as part of the Home and Garden segment.

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Valuation of Assets and Liabilities

The assets acquired and liabilities assumed in the Liquid Fence acquisition have been measured at their fair values at January 2, 2014 as set forth below. The excess of the purchase price over the fair values of the net tangible assets and identifiable intangible assets was recorded as goodwill, which includes value associated with the assembled workforce including an experienced research team, and is expected to be deductible for income tax purposes. The fair values recorded were determined based upon a valuation and the estimates and assumptions used in such valuation. The acquisition accounting for Liquid Fence has been finalized.

The fair values recorded for the assets acquired and liabilities assumed for Liquid Fence are as follows:

Cash	\$ 46
Accounts receivable	1,152
Inventories	2,188
Property, plant and equipment, net	59
Intangible assets	26,900
Total assets acquired	\$30,345
Total liabilities assumed	1,588
Total identifiable net assets less goodwill	28,757
Goodwill	7,088
Total identifiable net assets	<u>\$35,845</u>

Pre-Acquisition Contingencies Assumed

The Company has evaluated and continues to evaluate pre-acquisition contingencies relating to Liquid Fence that existed as of the acquisition date. Based on the evaluation to date, the Company has determined that certain pre-acquisition contingencies are probable in nature and estimable as of the acquisition date. Accordingly, the Company has recorded its best estimates for these contingencies as part of the purchase accounting for Liquid Fence. Further adjustments to pre-acquisition contingency amounts will be reflected in the Company's results of operations.

Valuation Adjustments

The Company performed a valuation of the acquired trade names, proprietary technology assets, customer relationships and a contingent earn-out liability at January 2, 2014. A summary of the significant key inputs is as follows:

- The Company valued the technology assets related to formulas and processes using the income approach, specifically the excess earnings method. Under this method, the asset value was determined by estimating the earnings attributable to the technology assets, adjusted for contributory asset charges. In estimating the fair value of the technology, Net sales and associated earnings were forecasted and adjusted for a technical obsolescence factor to isolate the forecasted sales and earnings attributable to the acquired technology assets. The forecasted technology earnings were discounted to present value to arrive at the concluded fair value. The Company anticipates using the technology asset over a useful life of 17 years which is generally determined by assessing the time period in which substantially all of the discounted cash flows are expected to be generated. The technology asset was valued at approximately \$20,500 under this approach.
- The Company valued an indefinite-lived trade name using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the trade name was not owned. Royalty rates were selected based on consideration of several factors, including prior transactions of Liquid Fence, related trademarks

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and trade names, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the trademarks and trade names. Trade name and trademarks were valued at \$5,100 under this approach.

- The Company valued customer relationships using the distributor approach. Under this method, the asset value was determined by estimating the hypothetical earnings before interest and taxes (“EBIT”) that a comparable distributor would earn, further adjusted for contributory asset charges. In determining the fair value of the customer relationships, the distributor approach values the intangible asset at the present value of the incremental after-tax cash flows. The customer relationships were valued at \$1,300 under this approach and will be amortized over 15 years.

The Company valued a contingent liability related to additional payments that may be made to the selling company. This liability was calculated based on the probability weighted present value of expected payments. This contingent liability is based on the achievement of specific revenue milestones through both January 31, 2015 and January 31, 2016. The contingent liability was valued at \$1,500 under this approach.

(16) QUARTERLY RESULTS (UNAUDITED)

Fiscal 2014:

	Quarter Ended			
	September 30, 2014	June 29, 2014	March 30, 2014	December 29, 2013
Net sales	\$ 1,178,312	\$ 1,128,509	\$ 1,021,688	\$ 1,100,600
Gross profit	411,001	417,037	359,624	381,207
Net income	48,655	78,614	34,897	54,921

Fiscal 2013:

	Quarter Ended			
	September 30, 2013	June 30, 2013	March 31, 2013	December 30, 2012
Net sales	\$ 1,137,732	\$ 1,089,825	\$ 987,756	\$ 870,268
Gross profit	396,493	382,759	322,904	288,156
Net income (loss)	(36,657)	36,761	(40,523)	(7,091)

(17) SUBSEQUENT EVENTS

ASC 855, “Subsequent Events” (“ASC 855”), establishes general standards of accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC 855 requires the Company to evaluate events that occur after the balance date through the date of the Company’s financial statements are issued, and to determine whether adjustments to or additional disclosures in the financial statements are necessary. The Company has evaluated subsequent events through the date these financial statements were issued.

On October 2, 2014, the Company completed a \$31,775 cash acquisition of Tell Manufacturing, Inc. (“Tell”), a leading manufacturer and distributor of commercial doors, locks and hardware. The Company will account for the acquisition of Tell in accordance with ASC 805. The Company is in the process of completing the preliminary purchase accounting.

On September 23, 2014, the Company entered into a definitive agreement to acquire Procter & Gamble’s European pet food business, consisting of premium brands for dogs and cats. The acquisition is expected to close in the second quarter of Fiscal 2015. The Company will account for this acquisition in accordance with ASC 805.

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On November 3, 2014, the Company announced an expansion to its Global Expense Rationalization Initiatives, which was initially implemented in Fiscal 2013. These expanded initiatives consist of headcount reductions in the Global Batteries & Appliances and Global Pet Supplies segments and in Corporate, consistent with the original announcement in Fiscal 2013. Costs associated with the expanded initiatives, which are expected to be incurred through September 30, 2015, are currently projected to total approximately \$46,500, which include costs associated with the Global Expense Rationalization Initiatives announced in Fiscal 2013.

(18) CONSOLIDATING FINANCIAL STATEMENTS

Spectrum Brands Inc., with its domestic subsidiaries and SB/RH Holdings, LLC (the "Parent") as guarantors, has issued the 6.375% Notes and the 6.625% Notes under the 2020/22 Indenture and has also issued the 6.75% Notes under the 2020 Indenture. See Note 6, "Debt," for further information on the 6.375% Notes and the 6.625% Notes under the 2020/22 Indenture and on the 6.75% Notes under the 2020 Indenture.

The following consolidating financial statements illustrate the components of the consolidated financial statements of the Company. Investments in subsidiaries are accounted for using the equity method for purposes of illustrating the consolidating presentation. Earnings of subsidiaries are therefore reflected in the Company's and Guarantor Subsidiaries investment accounts and earnings. The elimination entries presented herein eliminate investments in subsidiaries and intercompany balances and transactions.

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Financial Position
September 30, 2014
(Amounts in thousands)

	Parent without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,805	\$ 11,216	\$ 176,870	\$ —	\$ 192,891
Receivables:					
Trade accounts receivables, net of allowances	48,311	157,589	233,138	—	439,038
Intercompany receivables	106,896	937,336	587,029	(1,631,169)	92
Other	2,322	8,255	65,658	—	76,235
Inventories	77,735	313,049	240,402	(6,651)	624,535
Deferred income taxes	(10,061)	34,250	11,117	1,402	36,708
Prepaid expenses and other	19,169	14,412	29,943	(78)	63,446
Total current assets	249,177	1,476,107	1,344,157	(1,636,496)	1,432,945
Property, plant and equipment, net	137,721	115,293	175,863	—	428,877
Long-term intercompany receivables	688	107,265	41,614	(149,567)	—
Deferred charges and other	126,389	(117,998)	28,888	—	37,279
Goodwill	67,721	1,030,720	371,120	—	1,469,561
Intangible assets, net	494,083	1,151,674	445,782	—	2,091,539
Debt issuance costs	46,583	—	4,564	—	51,147
Investments in subsidiaries	4,076,268	1,278,910	444	(5,355,622)	—
Total assets	<u>\$ 5,198,630</u>	<u>\$5,041,971</u>	<u>\$ 2,412,432</u>	<u>\$(7,141,685)</u>	<u>\$5,511,348</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current maturities of long-term debt	\$ 75,229	\$ 6,873	\$ 30,454	\$ —	\$ 112,556
Accounts payable	76,033	202,528	241,172	—	519,733
Intercompany accounts payable	1,365,970	829,926	81,219	(2,277,115)	—
Accrued liabilities:					
Wages and benefits	25,553	19,449	43,062	—	88,064
Income taxes payable	1,279	192	17,073	—	18,544
Accrued interest	34,955	4	470	—	35,429
Other	21,516	52,699	82,091	—	156,306
Total current liabilities	1,600,535	1,111,671	495,541	(2,277,115)	930,632
Long-term debt, net of current maturities	2,539,159	8,927	346,051	—	2,894,137
Long-term intercompany debt	16,398	(617,941)	105,244	496,299	—
Employee benefit obligations, net of current portion	10,230	—	71,734	—	81,964
Deferred income taxes	(52,342)	462,253	103,293	—	513,204
Other	8,738	793	11,659	—	21,190
Total liabilities	4,122,718	965,703	1,133,522	(1,780,816)	4,441,127
Shareholders' equity:					
Other equity	1,419,491	3,296,946	1,284,848	(4,587,484)	1,413,801
Retained earnings (accumulated deficit)	(329,976)	775,418	(13,828)	(761,590)	(329,976)
Accumulated other comprehensive income (loss)	(63,073)	(51,017)	(47,031)	98,047	(63,074)
Total shareholders' equity	1,026,442	4,021,347	1,223,989	(5,251,027)	1,020,751
Non-controlling interest	49,470	54,921	54,921	(109,842)	49,470
Total equity	<u>1,075,912</u>	<u>4,076,268</u>	<u>1,278,910</u>	<u>(5,360,869)</u>	<u>1,070,221</u>
Total liabilities and shareholders' equity	<u>\$ 5,198,630</u>	<u>\$5,041,971</u>	<u>\$ 2,412,432</u>	<u>\$(7,141,685)</u>	<u>\$5,511,348</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Financial Position
September 30, 2013
(Amounts in thousands)

	Parent without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,859	\$ 5,402	\$ 188,958	\$ —	\$ 198,219
Receivables:					
Trade accounts receivables, net of allowances	47,959	94,231	339,123	—	481,313
Intercompany receivables	183,277	687,923	(116,811)	(752,928)	1,461
Other	2,914	11,250	51,456	—	65,620
Inventories	80,333	159,767	400,119	(7,296)	632,923
Deferred income taxes	(13,939)	23,429	21,680	1,789	32,959
Prepaid expenses and other	20,373	4,662	33,996	3,750	62,781
Total current assets	324,776	986,664	918,521	(754,685)	1,475,276
Property, plant and equipment, net	116,738	47,487	248,326	—	412,551
Long term intercompany receivables	30,618	144,567	61,737	(236,922)	—
Deferred charges and other	6,386	1,647	18,017	—	26,050
Goodwill	67,722	440,478	968,472	—	1,476,672
Intangible assets, net	504,525	736,324	922,317	—	2,163,166
Debt issuance costs	63,699	—	1,630	—	65,329
Investments in subsidiaries	3,885,898	2,525,735	445	(6,412,078)	—
Total assets	<u>\$ 5,000,362</u>	<u>\$ 4,882,902</u>	<u>\$ 3,139,465</u>	<u>\$ (7,403,685)</u>	<u>\$ 5,619,044</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current maturities of long-term debt	\$ 71,777	\$ 2,050	\$ 29,094	\$ —	\$ 102,921
Accounts payable	84,305	132,838	308,376	—	525,519
Intercompany accounts payable	763,644	306,306	143,133	(1,213,083)	—
Accrued liabilities:					
Wages and benefits	12,102	12,137	57,817	—	82,056
Income taxes payable	332	(33)	32,314	—	32,613
Accrued interest	35,984	—	747	—	36,731
Other	23,497	35,244	112,333	—	171,074
Total current liabilities	991,641	488,542	683,814	(1,213,083)	950,914
Long-term debt, net of current maturities	3,010,307	2,196	103,439	—	3,115,942
Long-term intercompany debt	18,038	268,361	(513,381)	226,982	—
Employee benefit obligations, net of current portion	21,351	—	75,261	—	96,612
Deferred income taxes	7,021	237,474	248,279	—	492,774
Other	12,130	431	16,318	—	28,879
Total liabilities	4,060,488	997,004	613,730	(986,101)	4,685,121
Shareholders' equity:					
Other equity	1,399,013	3,188,112	2,275,672	(5,469,673)	1,393,124
Retained earnings (accumulated deficit)	(469,886)	673,714	221,089	(894,803)	(469,886)
Accumulated other comprehensive income (loss)	(38,459)	(29,612)	(24,710)	54,260	(38,521)
Total shareholders' equity	890,668	3,832,214	2,472,051	(6,310,216)	884,717
Non-controlling interest	49,206	53,684	53,684	(107,368)	49,206
Total equity	<u>939,874</u>	<u>3,885,898</u>	<u>2,525,735</u>	<u>(6,417,584)</u>	<u>933,923</u>
Total liabilities and shareholders' equity	<u>\$ 5,000,362</u>	<u>\$ 4,882,902</u>	<u>\$ 3,139,465</u>	<u>\$ (7,403,685)</u>	<u>\$ 5,619,044</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Operations
Year Ended September 30, 2014
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net sales	\$ 626,671	\$2,141,371	\$ 2,449,371	\$ (788,304)	\$4,429,109
Cost of goods sold	447,663	1,434,430	1,762,717	(788,283)	2,856,527
Restructuring and related charges	—	2,641	1,072	—	3,713
Gross profit	179,008	704,300	685,582	(21)	1,568,869
Operating expenses:					
Selling	76,609	268,463	333,746	(666)	678,152
General and administrative	60,481	168,975	89,589	19	319,064
Research and development	22,290	11,977	13,588	—	47,855
Acquisition and integration related charges	11,705	8,275	122	—	20,102
Restructuring and related charges	8,381	4,055	6,746	—	19,182
	<u>179,466</u>	<u>461,745</u>	<u>443,791</u>	<u>(647)</u>	<u>1,084,355</u>
Operating income (loss)	(458)	242,555	241,791	626	484,514
Interest expense	172,193	(67)	29,995	(3)	202,118
Other (income) expense, net	(213,726)	(163,776)	3,972	379,816	6,286
Income from continuing operations before income taxes	41,075	406,398	207,824	(379,187)	276,110
Income tax expense (benefit)	(176,012)	194,594	40,054	387	59,023
Net income (loss)	217,087	211,804	167,770	(379,574)	217,087
Less: Net loss attributable to non-controlling interest	325	325	325	(650)	325
Net income (loss) attributable to controlling interest	<u>\$ 216,762</u>	<u>\$ 211,479</u>	<u>\$ 167,445</u>	<u>\$ (378,924)</u>	<u>\$ 216,762</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Comprehensive Income
Year Ended September 30, 2014
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net income (loss)	\$ 217,087	\$ 211,804	\$ 167,770	\$ (379,574)	\$ 217,087
Other comprehensive income (loss), net of tax:					
Foreign currency translation	(32,528)	(32,725)	(33,582)	66,307	(32,528)
Unrealized gain on derivative instruments	11,531	11,435	11,628	(23,063)	11,531
Defined benefit pension loss	(3,617)	(95)	(95)	190	(3,617)
Other comprehensive income (loss)	(24,614)	(21,385)	(22,049)	43,434	(24,614)
Comprehensive income (loss)	192,473	190,419	145,721	(336,140)	192,473
Less: Comprehensive income (loss) attributable to non-controlling interest	347	303	303	(606)	347
Comprehensive income (loss) attributable to controlling interest	<u>\$ 192,126</u>	<u>\$ 190,116</u>	<u>\$ 145,418</u>	<u>\$ (335,534)</u>	<u>\$ 192,126</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Operations
Year Ended September 30, 2013
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net sales	\$ 638,651	\$1,178,218	\$ 3,123,312	\$ (854,600)	\$4,085,581
Cost of goods sold	463,854	799,935	2,274,461	(852,965)	2,685,285
Restructuring and related charges	<u>—</u>	<u>2,429</u>	<u>7,555</u>	<u>—</u>	<u>9,984</u>
Gross profit	174,797	375,854	841,296	(1,635)	1,390,312
Operating expenses:					
Selling	73,366	143,796	420,704	(908)	636,958
General and administrative	74,092	85,131	125,453	(3)	284,673
Research and development	17,712	10,139	15,483	—	43,334
Acquisition and integration related charges	35,291	4,666	8,488	—	48,445
Restructuring and related charges	<u>4,264</u>	<u>11,014</u>	<u>8,750</u>	<u>—</u>	<u>24,028</u>
	<u>204,725</u>	<u>254,746</u>	<u>578,878</u>	<u>(911)</u>	<u>1,037,438</u>
Operating income	(29,928)	121,108	262,418	(724)	352,874
Interest expense	346,600	2,919	19,990	10	369,519
Other (income) expense, net	<u>(248,627)</u>	<u>(180,790)</u>	<u>7,804</u>	<u>425,119</u>	<u>3,506</u>
(Loss) income from continuing operations before income taxes	(127,901)	298,979	234,624	(425,853)	(20,151)
Income tax expense (benefit)	<u>(80,391)</u>	<u>47,000</u>	<u>60,893</u>	<u>(143)</u>	<u>27,359</u>
Net income (loss)	(47,510)	251,979	173,731	(425,710)	(47,510)
Less: Net income (loss) attributable to non-controlling interest	<u>(140)</u>	<u>(140)</u>	<u>(140)</u>	<u>280</u>	<u>(140)</u>
Net income (loss) attributable to controlling interest	<u>\$ (47,370)</u>	<u>\$ 252,119</u>	<u>\$ 173,871</u>	<u>\$ (425,990)</u>	<u>\$ (47,370)</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Comprehensive Income
Year Ended September 30, 2013
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net income (loss)	\$ (47,510)	\$ 251,979	\$ 173,731	\$ (425,710)	\$ (47,510)
Other comprehensive income (loss), net of tax:					
Foreign currency translation	(6,622)	(6,340)	(5,847)	12,187	(6,622)
Unrealized gain (loss) on derivative instruments	(2,509)	(1,447)	(1,447)	2,894	(2,509)
Defined benefit pension gain	4,247	(3,916)	(3,916)	7,833	4,248
Other comprehensive income (loss)	(4,884)	(11,703)	(11,210)	22,914	(4,883)
Comprehensive income (loss)	(52,394)	240,276	162,521	(402,796)	(52,393)
Less: Comprehensive income (loss) attributable to non- controlling interest	63	63	63	(126)	63
Comprehensive income (loss) attributable to controlling interest	<u>\$ (52,457)</u>	<u>\$ 240,213</u>	<u>\$ 162,458</u>	<u>\$ (402,670)</u>	<u>\$ (52,456)</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Operations
Year Ended September 30, 2012
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net sales	\$ 668,127	\$1,214,406	\$ 1,884,685	\$ (514,783)	\$3,252,435
Cost of goods sold	486,733	850,869	1,304,001	(514,681)	2,126,922
Restructuring and related charges	—	4,712	5,123	—	9,835
Gross profit	181,394	358,825	575,561	(102)	1,115,678
Operating expenses:					
Selling	75,870	153,352	292,934	(965)	521,191
General and administrative	53,723	80,051	80,739	9	214,522
Research and development	18,943	10,345	3,799	—	33,087
Acquisition and integration related charges	12,676	13,109	5,281	—	31,066
Restructuring and related charges	1,794	5,500	2,462	—	9,756
	<u>163,006</u>	<u>262,357</u>	<u>385,215</u>	<u>(956)</u>	<u>809,622</u>
Operating income	18,388	96,468	190,346	854	306,056
Interest expense	172,772	6,302	12,923	1	191,998
Other (income) expense, net	<u>(181,428)</u>	<u>(121,935)</u>	<u>468</u>	<u>303,773</u>	<u>878</u>
Income (loss) from continuing operations before income taxes	27,044	212,101	176,955	(302,920)	113,180
Income tax expense (benefit)	<u>(25,751)</u>	<u>39,758</u>	<u>46,068</u>	<u>310</u>	<u>60,385</u>
Net income (loss)	52,795	172,343	130,887	(303,230)	52,795
Less: Net income (loss) attributable to non-controlling interest	—	—	—	—	—
Net income (loss) attributable to controlling interest	<u>\$ 52,795</u>	<u>\$ 172,343</u>	<u>\$ 130,887</u>	<u>\$ (303,230)</u>	<u>\$ 52,795</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Consolidating Statement of Comprehensive Income
Year Ended September 30, 2012
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net (loss) income	\$ 52,795	\$ 172,343	\$ 130,887	\$ (303,230)	\$ 52,795
Other comprehensive income, net of tax:					
Foreign currency translation	(8,601)	(8,376)	(7,380)	15,755	(8,602)
Unrealized gain (loss) on derivative instruments	1,545	(731)	(731)	1,462	1,545
Defined benefit pension gain	(11,933)	(5,388)	(10,003)	15,392	(11,932)
Other comprehensive income	(18,989)	(14,495)	(18,114)	32,609	(18,989)
Comprehensive (loss) income	33,806	157,848	112,773	(270,621)	33,806
Less: Comprehensive loss attributable to non-controlling interest	—	—	—	—	—
Comprehensive (loss) income attributable to controlling interest	<u>\$ 33,806</u>	<u>\$ 157,848</u>	<u>\$ 112,773</u>	<u>\$ (270,621)</u>	<u>\$ 33,806</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Cash Flows
Year Ended September 30, 2014
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net cash provided (used) by operating activities	\$ 616,522	\$ 114,425	\$ (269,349)	\$ (26,903)	\$ 434,695
Cash flows from investing activities:					
Purchases of property, plant and equipment	(23,174)	(26,384)	(23,789)	—	(73,347)
Acquisition of Liquid Fence	—	(27,629)	—	—	(27,629)
Proceeds from sales of property, plant and equipment	78	60	9,065	—	9,203
Other investing activities	—	(1,788)	—	—	(1,788)
Net cash used by investing activities	(23,096)	(55,741)	(14,724)	—	(93,561)
Cash flows from financing activities:					
Proceeds from issuance of Term Loan	214,877	—	308,781	—	523,658
Payment of senior credit facilities, excluding ABL revolving credit facility	(764,874)	—	—	—	(764,874)
Debt issuance costs	(494)	—	(4,917)	—	(5,411)
Other debt financing, net	15,820	—	557	—	16,377
Reduction of other debt	—	—	(6,030)	—	(6,030)
Cash dividends paid to parent	(76,951)	—	—	—	(76,951)
Share based award tax withholding payments	(24,972)	—	—	—	(24,972)
Proceeds from (advances related to) intercompany transactions	44,114	(52,870)	(18,147)	26,903	—
Net cash provided (used) by financing activities	(592,480)	(52,870)	280,244	26,903	(338,203)
Effect of exchange rate changes on cash and cash equivalents	—	—	(8,259)	—	(8,259)
Net increase (decrease) in cash and cash equivalents	946	5,814	(12,088)	—	(5,328)
Cash and cash equivalents, beginning of period	3,859	5,402	188,958	—	198,219
Cash and cash equivalents, end of period	<u>\$ 4,805</u>	<u>\$ 11,216</u>	<u>\$ 176,870</u>	<u>\$ —</u>	<u>\$ 192,891</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Cash Flows
Year Ended September 30, 2013
(Amounts in thousands)

	Parent without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net cash provided (used) by operating activities	\$ (319,093)	\$ 727,170	337,099	(487,003)	\$ 258,173
Cash flows from investing activities:					
Purchases of property, plant and equipment	(30,860)	(9,028)	(42,088)	—	(81,976)
Acquisition of Shaser, net of cash acquired			(42,561)	—	(42,561)
Acquisition of the HHI Business, net of cash acquired	—	(1,351,008)	—	—	(1,351,008)
Proceeds from sales of property, plant and equipment	99	12	92	—	203
Other investing activities	(26)	(1,331)	(25)	—	(1,382)
Net cash used by investing activities	(30,787)	(1,361,355)	(84,582)	—	(1,476,724)
Cash flows from financing activities:					
Proceeds from issuance of Term Loan	1,844,250	—	92,000	—	1,936,250
Proceeds from issuance of 6.375% Notes	520,000	—	—	—	520,000
Proceeds from issuance of 6.625% Notes	570,000	—	—	—	570,000
Payment of 9.5% Notes, including tender and call premium	(1,061,307)	—	—	—	(1,061,307)
Payment of senior credit facilities, excluding ABL revolving credit facility	(556,863)	—	(14,230)	—	(571,093)
Debt issuance costs	(58,714)	—	(2,136)	—	(60,850)
Other debt financing, net	—	—	11,941	—	11,941
Reduction of other debt	—	—	(1,251)	—	(1,251)
ABL revolving credit facility, net	—	—	—	—	—
Capital contribution from parent	28,562	—	—	—	28,562
Cash dividends paid to parent	(88,695)	—	—	—	(88,695)
Share based award tax withholding payments	(20,141)	—	—	—	(20,141)
Advances related to intercompany transactions	(830,082)	626,285	(283,206)	487,003	—
Net cash provided (used) by financing activities	347,010	626,285	(196,882)	487,003	1,263,416
Effect of exchange rate changes on cash and cash equivalents due to Venezuela devaluation	—	—	(1,871)	—	(1,871)
Effect of exchange rate changes on cash and cash equivalents	—	—	(2,647)	—	(2,647)
Net increase (decrease) in cash and cash equivalents	(2,870)	(7,900)	51,117	—	40,347
Cash and cash equivalents, beginning of period	6,729	13,302	137,841	—	157,872
Cash and cash equivalents, end of period	<u>\$ 3,859</u>	<u>\$ 5,402</u>	<u>\$ 188,958</u>	<u>\$ —</u>	<u>\$ 198,219</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Cash Flows
Year Ended September 30, 2012
(Amounts in thousands)

	<u>Parent without consolidated entities</u>	<u>Guarantor Subsidiaries</u>	<u>Nonguarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Net cash provided (used) by operating activities	\$ 143,628	\$ 250,866	258,012	(399,840)	\$ 252,666
Cash flows from investing activities:					
Purchases of property, plant and equipment	(20,586)	(12,595)	(13,628)	—	(46,809)
Acquisition of Black Flag	—	(43,750)	—	—	(43,750)
Acquisition of FURminator, net of cash	—	(139,390)	—	—	(139,390)
Proceeds from sales of property, plant and equipment	135	27	338	—	500
Other investing activities	—	(118)	(1,927)	—	(2,045)
Net cash used by investing activities	(20,451)	(195,826)	(15,217)	—	(231,494)
Cash flows from financing activities:					
Proceeds from 6.75% Notes	300,000	—	—	—	300,000
Payment of 12 % Notes, including premium	(270,431)	—	—	—	(270,431)
Proceeds from new 9.5% Notes, including premium	217,000	—	—	—	217,000
Payment of senior credit facilities, excluding ABL revolving credit facility	(155,061)	—	—	—	(155,061)
Debt issuance costs	(11,231)	—	—	—	(11,231)
Other debt financing, net	—	—	392	—	392
Reduction of other debt	(25,000)	—	(4,112)	—	(29,112)
ABL revolving credit facility, net	—	—	—	—	—
Other financing activities	—	(953)	—	—	(953)
Cash dividends paid to parent	(51,450)	—	—	—	(51,450)
Share based award tax withholding payments	(3,936)	—	—	—	(3,936)
Advances related to intercompany transactions	(116,388)	(49,574)	(233,878)	399,840	—
Net cash provided (used) by financing activities	(116,497)	(50,527)	(237,598)	399,840	(4,782)
Effect of exchange rate changes on cash and cash equivalents	—	—	(932)	—	(932)
Net increase (decrease) in cash and cash equivalents	6,680	4,513	4,265	—	15,458
Cash and cash equivalents, beginning of period	49	8,789	133,576	—	142,414
Cash and cash equivalents, end of period	<u>\$ 6,729</u>	<u>\$ 13,302</u>	<u>\$ 137,841</u>	<u>\$ —</u>	<u>\$ 157,872</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

For the years ended September 30, 2014, September 30, 2013 and September 30, 2012
(In thousands)

<u>Column A</u> Descriptions	<u>Column B</u> Balance at Beginning of Period	<u>Column C Additions</u> Charged to Costs and Expenses	<u>Column D Deductions</u>		<u>Column E</u> Balance at End of Period
			<u>Deductions</u>	<u>Other Adjustments</u>	
September 30, 2014:					
Accounts receivable allowances	\$ 37,376	\$ 7,404	\$ (2,409)	\$ 6,270	\$ 48,641
September 30, 2013:					
Accounts receivable allowances	\$ 21,870	\$ 15,506	\$ —	\$ —	\$ 37,376
September 30, 2012:					
Accounts receivable allowances	\$ 14,128	\$ 7,742	\$ —	\$ —	\$ 21,870

See accompanying Report of Independent Registered Public Accounting Firm

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

SB/RH HOLDINGS, LLC
Condensed Consolidated Statements of Financial Position
June 28, 2015 and September 30, 2014
(Amounts in millions)

	<u>June 28, 2015</u> (Unaudited)	<u>September 30,</u> <u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 107.2	\$ 192.9
Receivables:		
Trade accounts receivable, net of allowances \$45.7 and \$48.6, respectively	619.8	439.0
Other	103.3	76.4
Inventories	903.7	624.5
Deferred income taxes	34.9	36.7
Prepaid expenses and other	80.7	63.4
Total current assets	<u>1,849.6</u>	<u>1,432.9</u>
Property, plant and equipment, net of accumulated depreciation of \$310.6 and \$264.5, respectively	500.1	428.9
Deferred charges and other	38.5	37.3
Goodwill	2,488.0	1,469.6
Intangible assets, net	2,528.1	2,091.5
Debt issuance costs	69.5	51.1
Total assets	<u>\$ 7,473.8</u>	<u>\$ 5,511.3</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term debt	\$ 99.5	\$ 112.6
Accounts payable	453.6	519.7
Accrued liabilities:		
Wages and benefits	80.7	88.1
Income taxes payable	15.5	18.5
Accrued interest	17.4	35.4
Other	186.3	156.3
Total current liabilities	<u>853.0</u>	<u>930.6</u>
Long-term debt, net of current maturities	4,294.3	2,894.1
Employee benefit obligations, net of current portion	74.5	82.0
Deferred income taxes	599.1	513.2
Other	27.4	21.2
Total liabilities	<u>5,848.3</u>	<u>4,441.1</u>
Commitments and contingencies		
Shareholders' equity:		
Other capital	1,967.3	1,413.8
Accumulated deficit	(254.0)	(330.0)
Accumulated other comprehensive loss	(137.5)	(63.1)
Total shareholders' equity	<u>1,575.8</u>	<u>1,020.7</u>
Noncontrolling interest	49.7	49.5
Total equity	<u>1,625.5</u>	<u>1,070.2</u>
Total liabilities and equity	<u>\$ 7,473.8</u>	<u>\$ 5,511.3</u>

See accompanying notes which are an integral part of these condensed consolidated financial statements
(Unaudited).

SB/RH HOLDINGS, LLC
Condensed Consolidated Statements of Operations
For the three and nine month periods ended June 28, 2015 and June 29, 2014
(Unaudited)
(Amounts in millions)

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net sales	\$ 1,247.5	\$ 1,128.5	\$ 3,382.3	\$ 3,250.8
Cost of goods sold	789.5	710.9	2,179.0	2,089.6
Restructuring and related charges	—	0.6	0.4	3.3
Gross profit	458.0	417.0	1,202.9	1,157.9
Selling	184.8	171.8	517.7	501.8
General and administrative	88.2	78.0	238.1	225.3
Research and development	12.9	12.2	36.9	35.2
Acquisition and integration related charges	24.2	2.7	44.2	14.5
Restructuring and related charges	10.5	3.1	21.9	12.7
Total operating expenses	320.6	267.8	858.8	789.5
Operating income	137.4	149.2	344.1	368.4
Interest expense	112.9	47.3	206.5	151.7
Other expense, net	1.7	2.8	5.6	4.4
Income from operations before income taxes	22.8	99.1	132.0	212.3
Income tax expense (benefit)	(23.8)	20.5	4.8	43.8
Net income	46.6	78.6	127.2	168.5
Less: Net income attributable to non-controlling interest	0.0	—	0.2	0.2
Net income attributable to controlling interest	<u>\$ 46.6</u>	<u>\$ 78.6</u>	<u>\$ 127.0</u>	<u>\$ 168.3</u>

See accompanying notes which are an integral part of these condensed consolidated financial statements
(Unaudited).

SB/RH HOLDINGS, LLC
Condensed Consolidated Statements of Comprehensive Income (Loss)
For the three and nine month periods ended June 28, 2015 and June 29, 2014
(Unaudited)
(Amounts in millions)

	<u>THREE MONTHS ENDED</u>		<u>NINE MONTHS ENDED</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net income	\$ 46.6	\$ 78.6	\$ 127.2	\$ 168.5
Other comprehensive income (loss), net of tax:				
Foreign currency translation gain (loss)	9.5	8.4	(68.6)	5.6
Unrealized (loss) on derivative hedging instruments	(12.0)	(1.4)	(8.6)	(1.6)
Defined benefit pension gain (loss)	(0.6)	0.4	2.8	0.5
Other comprehensive income (loss), net of tax	(3.1)	7.4	(74.4)	4.5
Comprehensive income	43.5	86.0	52.8	173.0
Less: Comprehensive income attributable to non-controlling interest	—	—	0.2	0.4
Comprehensive income attributable to controlling interest	<u>\$ 43.5</u>	<u>\$ 86.0</u>	<u>\$ 52.6</u>	<u>\$ 172.6</u>

See accompanying notes which are an integral part of these condensed consolidated financial statements
(Unaudited).

SB/RH HOLDINGS, LLC
Condensed Consolidated Statements of Cash Flows
For the nine month periods ended June 28, 2015 and June 29, 2014
(Unaudited)
(Amounts in millions)

	NINE MONTHS ENDED	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 127.2	\$ 168.5
Adjustments to reconcile net income to net cash used by operating activities, net of effects of acquisitions:		
Depreciation	58.7	56.4
Amortization of intangibles	64.0	61.2
Amortization of unearned restricted stock compensation	32.2	26.0
Amortization of debt issuance costs	7.7	8.2
Non-cash increase to cost of goods sold due to acquisitions inventory step up	7.7	—
Write off unamortized discount on retired debt	1.7	2.8
Write off of debt issuance costs	11.2	6.4
Other non-cash adjustments	16.4	4.0
Net changes in operating assets and liabilities	(490.4)	(382.7)
Net cash used by operating activities	(163.6)	(49.2)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(49.5)	(50.9)
Acquisition of Tell Manufacturing, net of cash acquired	(29.2)	—
Acquisition of European IAMS and Eukanuba, net of cash acquired	(115.7)	—
Acquisition of Salix Animal Health, net of cash acquired	(147.8)	—
Acquisition of Armored AutoGroup, net of cash acquired	(900.5)	—
Acquisition of Liquid Fence, net of cash acquired	—	(25.3)
Proceeds from sales of property, plant and equipment	1.3	9.1
Other investing activities	(0.9)	(0.2)
Net cash used by investing activities	(1,242.3)	(67.3)
Cash flows from financing activities:		
Proceeds from issuance of Term Loan, net of discount	1,444.9	523.7
Proceeds from issuance of 6.125% Notes	250.0	—
Proceeds from issuance of 5.75% Notes	1,000.0	—
Proceeds from Euro Term Loan	340.2	—
Proceeds from CAD Term Loan	60.9	—
Payment of debt instruments, excluding ABL revolving credit facility	(2,281.9)	(567.5)
Debt issuance costs	(37.3)	(5.5)
Other debt financing, net	33.5	9.5
Revolving credit facility, net	47.5	110.0
Cash dividends paid to parent	(51.0)	(42.0)
Share based tax withholding payments, net of proceeds upon vesting	(1.9)	(26.5)
Capital contribution from Parent	528.3	—
Net cash provided by financing activities	1,333.2	1.7
Effect of exchange rate changes on cash and cash equivalents	(13.0)	—
Net decrease in cash and cash equivalents	(85.7)	(114.8)
Cash and cash equivalents, beginning of period	192.9	198.2
Cash and cash equivalents, end of period	<u>\$ 107.2</u>	<u>\$ 83.4</u>

See accompanying notes which are an integral part of these condensed consolidated financial statements
(Unaudited).

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)
(Amounts in millions of dollars or as otherwise specified)

1 DESCRIPTION OF BUSINESS

SB/RH Holdings, LLC, a Delaware limited liability company (“SB/RH”, or the “Company”), is a diversified global branded consumer products company. SB/RH Holdings, LLC, is a wholly owned subsidiary of Spectrum Brands Holdings, Inc. (“SB Holdings”, or the “Parent”). SB Holdings’ common stock trades on the New York Stock Exchange (the “NYSE”) under the symbol “SPB.”

The Company’s operations include the worldwide manufacturing and marketing of alkaline, zinc carbon and hearing aid batteries, as well as aquariums and aquatic health supplies and the designing and marketing of rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. The Company’s operations also include the manufacturing and marketing of specialty pet supplies. The Company also manufactures and markets herbicides, insecticides and insect repellents in North America. The Company also designs, markets and distributes a broad range of branded small appliances and personal care products. The Company also designs, markets, distributes and sells certain hardware, home improvement and plumbing products. The Company’s operations utilize manufacturing and product development facilities located in the United States (“U.S.”), Europe, Latin America and Asia.

On May 21, 2015, the Company acquired Armored AutoGroup Parent, Inc. (“AAG”). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG acquisition, see Note 13, “Acquisitions.”

The Company sells its products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers and enjoys name recognition in its markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature’s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands.

The Company’s global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, home and garden controls and auto care, which consists of the recently acquired AAG business.

The Company manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company’s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories (“Global Batteries & Appliances”); (ii) Hardware & Home Improvement, which consists of the Company’s worldwide hardware, home improvement and plumbing business (“Hardware & Home Improvement”); (iii) Global Pet Supplies, which consists of the Company’s worldwide pet supplies business (“Global Pet Supplies”); (iv) Home and Garden, which consists of the Company’s home and garden and insect control business (“Home and Garden”); and (v) Global Auto Care, which consists of the Company’s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge (“Global Auto Care”). Management reviews the performance of the Company based on these segments, which also reflect the manner in which the Company’s management monitors performance and allocates resources. For information pertaining to our business segments, see Note 11, “Segment Results.”

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The condensed consolidated financial statements include the accounts of SB/RH and its subsidiaries and are prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). All intercompany transactions have been eliminated.

These condensed consolidated financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, in the opinion of the Company, include all adjustments (which are normal and recurring in nature) necessary to present fairly the financial position of the Company at June 28, 2015, the results of operations for the three and nine month periods ended June 28, 2015 and June 29, 2014, the comprehensive income (loss) for the three and nine month periods ended June 28, 2015 and June 29, 2014 and the cash flows for the nine month periods ended June 28, 2015 and June 29, 2014. Certain information and note disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such SEC rules and regulations. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2014.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intangible Assets: Intangible assets are recorded at cost or at fair value if acquired in a purchase business combination. Customer relationships and proprietary technology intangibles are amortized, using the straight-line method, over their estimated useful lives. Excess of cost over fair value of net assets acquired (goodwill) and indefinite lived trade name intangibles are not amortized. GAAP requires that goodwill and indefinite-lived intangible assets be tested for impairment annually or more often if an event or circumstance indicates that an impairment loss may have been incurred. Goodwill is tested for impairment at the reporting unit level, with such groupings being consistent with the Company’s reportable segments. If impairment is indicated, a write-down to fair value (normally measured by discounting estimated future cash flows) is recorded. Indefinite lived trade name intangibles are tested for impairment at least annually by comparing the fair value with the carrying value. Any excess of carrying value over fair value is recognized as an impairment loss in income from operations.

The Company’s annual impairment testing is completed at the August financial period end. Management uses its judgment in assessing whether assets may have become impaired between annual impairment tests. Indicators such as unexpected adverse business conditions, economic factors, unanticipated technological change or competitive activities, loss of key personnel, and acts by governments and courts may signal that an asset has become impaired.

Shipping and Handling Costs: The Company incurred shipping and handling costs of \$68.3 and \$199.1 for the three and nine month periods ended June 28, 2015, respectively, and \$66.2 and \$194.5 for the three and nine months periods ended June 29, 2014, respectively. These costs are included in Selling expenses in the accompanying Condensed Consolidated Statements of Operations (Unaudited). Shipping and handling costs include costs incurred with third-party carriers to transport products to customers as well as salaries and overhead costs related to activities to prepare the Company’s products for shipment from its distribution facilities.

Concentrations of Credit Risk: Trade receivables subject the Company to credit risk. Trade accounts receivable are carried at net realizable value. The Company extends credit to its customers based upon an evaluation of the customer’s financial condition and credit history, and generally does not require collateral. The

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

Company monitors its customers' credit and financial condition based on changing economic conditions and makes adjustments to credit policies as required. Provisions for losses on uncollectible trade receivables are determined based on ongoing evaluations of the Company's receivables, principally on the basis of historical collection experience and evaluations of the risks of nonpayment for a given customer.

The Company has a broad range of customers including many large retail outlet chains, one of which accounts for a significant percentage of its sales volume. This customer represented approximately 15% of the Company's Net sales during both the three and nine month periods ended June 28, 2015, and 15% and 16% of the Company's Net sales for the three and nine month periods ended June 29, 2014, respectively. This customer also represented approximately 13% and 14% of the Company's Trade accounts receivable, net at June 28, 2015 and September 30, 2014, respectively.

Approximately 33% and 39% of the Company's Net sales during the three and nine month periods ended June 28, 2015, respectively, and 37% and 41% of the Company's Net sales during the three and nine month periods ended June 29, 2014, respectively, occurred outside the U.S. These sales and related receivables are subject to varying degrees of credit, currency, political and economic risk. The Company monitors these risks and makes appropriate provisions for ability to collect based on an assessment of the risks present.

Stock-Based Compensation: Our stock compensation programs are administered by SB Holdings. The Company measures the cost of its stock-based compensation plans based on the fair value of its employee stock awards and recognizes these costs over the requisite service period of the awards.

Total stock compensation expense associated with restricted stock units recognized by the Company during the three and nine month periods ended June 28, 2015 was \$15.2 and \$32.2, respectively. Total stock compensation expense associated with restricted stock units recognized by the Company during the three and nine month periods ended June 29, 2014 was \$9.2 and \$26.0, respectively. The remaining unrecognized pre-tax compensation cost related to restricted stock units at June 28, 2015 was \$32.0.

The Company granted approximately 0.02 million and 0.43 million restricted stock units during the three and nine month periods ended June 28, 2015, respectively. The 0.43 million restricted stock units granted during the nine months ended June 28, 2015 include 0.13 million restricted stock units that vested immediately and 0.02 million time-based restricted stock units that vest over a period ranging from one to two years. The remaining 0.28 million restricted stock units are performance and time-based and vest over a period ranging from one to two years. The total market value of the restricted stock units on the dates of the grants was approximately \$39.3.

The Company granted approximately no and 0.41 million restricted stock units during the three and nine month periods ended June 29, 2014, respectively. The 0.41 million restricted stock units granted during the nine months ended June 29, 2014 include 0.08 million time-based restricted stock units that vested immediately and .04 million time-based restricted stock units that vest over a one year period. The remaining 0.29 million restricted stock units are performance and time-based and vest over a two year period. The total market value of the restricted stock units on the dates of the grants was approximately \$28.7.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

The fair value of restricted stock units is determined based on the market price of SB Holdings' shares of common stock on the grant date. A summary of the activity in the Company's non-vested restricted stock units during the nine months ended June 28, 2015 is as follows:

Restricted Stock Units	Shares (in millions)	Weighted Average Share Price at Grant Date	Fair Value at Grant Date
Non-vested restricted stock units at September 30, 2014	0.80	\$ 67.90	\$ 54.6
Granted	0.44	90.53	39.2
Forfeited	(0.03)	85.39	(2.5)
Vested	(0.69)	68.28	(47.2)
Non-vested restricted stock units at June 28, 2015	<u>0.52</u>	<u>\$ 85.40</u>	<u>\$ 44.1</u>

Acquisition and Integration Related Charges: Acquisition and integration related charges reflected in Operating expenses in the accompanying Condensed Consolidated Statements of Operations (Unaudited) include, but are not limited to, transaction costs such as banking, legal, accounting and other professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination expenses associated with mergers and acquisitions.

The following table summarizes acquisition and integration related charges incurred by the Company during the three and nine month periods ended June 28, 2015 and June 29, 2014:

	Three Months Ended		Nine Months Ended	
	2015	2014	2015	2014
Salix Animal Health	\$ 3.3	\$ —	\$ 8.4	\$ —
European IAMS and Eukanuba	1.0	—	6.0	—
HHI Business	2.1	3.3	8.3	11.2
Tell	0.5	—	1.6	—
Liquid Fence	(0.8)	0.7	0.5	2.4
Armored AutoGroup	17.8	—	17.8	—
Other	0.3	(1.3)	1.6	0.9
Total Acquisition and integration related charges	<u>\$ 24.2</u>	<u>\$ 2.7</u>	<u>\$ 44.2</u>	<u>\$ 14.5</u>

3 COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) includes foreign currency translation gains and losses on assets and liabilities of foreign subsidiaries, effects of exchange rate changes on intercompany balances of a long-term nature and transactions designated as a hedge of a net investment in a foreign subsidiary, deferred gains and losses on derivative financial instruments designated as cash flow hedges and amortization of deferred gains and losses associated with the Company's pension plans. The foreign currency translation gains and losses for the three and nine month periods ended June 28, 2015 and June 29, 2014 were principally attributable to the impact of translation of the net assets of the Company's European and Latin American operations, which primarily have functional currencies in Euros, Pounds Sterling and Brazilian Real.

For information pertaining to the reclassification of unrealized gains and losses on derivative instruments, see Note 7, "Derivative Financial Instruments."

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The components of Other comprehensive income (loss), net of tax, for the three and nine month periods ended June 28, 2015 and June 29, 2014 are as follows:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Foreign Currency Translation Adjustments:				
Net change after reclassification adjustment	\$ 9.5	\$ 8.4	\$ (68.6)	\$ 5.6
Deferred tax effect	—	—	—	—
Other Comprehensive Income (Loss)	\$ 9.5	\$ 8.4	\$ (68.6)	\$ 5.6
Non-controlling interest	—	—	—	0.2
Comprehensive Income (Loss) attributable to controlling interest	<u>\$ 9.5</u>	<u>\$ 8.4</u>	<u>\$ (68.6)</u>	<u>\$ 5.4</u>
Derivative Hedging Instruments:				
Gross change before reclassification adjustment	\$ (7.8)	\$ (3.0)	\$ 9.3	\$ (3.9)
Net reclassification adjustment for (gains) losses included in earnings	(8.1)	1.3	(19.9)	2.2
Gross change after reclassification adjustment	\$ (15.9)	\$ (1.7)	\$ (10.6)	\$ (1.7)
Deferred tax effect	3.9	0.3	2.0	0.1
Other Comprehensive (Loss)	<u>\$ (12.0)</u>	<u>\$ (1.4)</u>	<u>\$ (8.6)</u>	<u>\$ (1.6)</u>
Defined Benefit Pension Plans:				
Gross change before reclassification adjustment	\$ (1.1)	\$ 0.2	\$ 2.6	\$ (0.4)
Net reclassification adjustment for losses included in Cost of goods sold	0.2	0.1	0.5	0.4
Net reclassification adjustment for losses included in Selling expenses	—	0.1	0.2	0.2
Net reclassification adjustment for losses included in General and administrative expenses	0.1	0.2	0.4	0.5
Gross change after reclassification adjustment	\$ (0.8)	\$ 0.6	\$ 3.7	\$ 0.7
Deferred tax effect	0.2	(0.2)	(0.9)	(0.2)
Other Comprehensive Income (Loss)	<u>\$ (0.6)</u>	<u>\$ 0.4</u>	<u>\$ 2.8</u>	<u>\$ 0.5</u>
Total Other Comprehensive Income (Loss), net of tax	<u><u>\$ (3.1)</u></u>	<u><u>\$ 7.4</u></u>	<u><u>\$ (74.4)</u></u>	<u><u>\$ 4.3</u></u>

4 INVENTORIES

Inventories consist of the following:

	<u>June 28, 2015</u>	<u>September 30, 2014</u>
Raw materials	\$ 149.7	\$ 104.1
Work-in-process	58.3	35.3
Finished goods	695.7	485.1
	<u>\$ 903.7</u>	<u>\$ 624.5</u>

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

5 GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets of the Company consist of the following:

	<u>Global Batteries & Appliances</u>	<u>Hardware & Home Improvement</u>	<u>Global Pet Supplies</u>	<u>Global Auto Care</u>	<u>Home and Garden</u>	<u>Total</u>
Goodwill:						
Balance at September 30, 2014	\$ 327.4	\$ 709.8	\$ 235.9	\$ —	\$ 196.5	\$1,469.6
Additions	—	7.1	73.6	965.7	—	1,046.4
Effect of translation	(12.0)	(7.6)	(7.4)	(1.0)	—	(28.0)
Balance at June 28, 2015	<u>\$ 315.4</u>	<u>\$ 709.3</u>	<u>\$ 302.1</u>	<u>\$ 964.7</u>	<u>\$ 196.5</u>	<u>\$2,488.0</u>
Intangible Assets:						
Trade Names Not Subject to Amortization						
Balance at September 30, 2014	\$ 544.6	\$ 330.6	\$ 210.5	\$ —	\$ 88.6	\$1,174.3
Additions	—	4.0	46.7	299.0	—	349.7
Effect of translation	(8.8)	(1.0)	(12.4)	—	—	(22.2)
Balance at June 28, 2015	<u>\$ 535.8</u>	<u>\$ 333.6</u>	<u>\$ 244.8</u>	<u>\$ 299.0</u>	<u>\$ 88.6</u>	<u>\$1,501.8</u>
Intangible Assets Subject to Amortization						
Balance at September 30, 2014, net	\$ 400.3	\$ 130.5	\$ 222.3	\$ —	\$ 164.1	\$ 917.2
Additions	0.9	8.5	52.3	130.0	—	191.7
Amortization during period	(25.6)	(11.5)	(18.0)	(0.9)	(8.0)	(64.0)
Effect of translation	(11.2)	(1.1)	(6.3)	—	—	(18.6)
Balance at June 28, 2015, net	<u>\$ 364.4</u>	<u>\$ 126.4</u>	<u>\$ 250.3</u>	<u>\$ 129.1</u>	<u>\$ 156.1</u>	<u>\$1,026.3</u>
Total Intangible Assets, net at June 28, 2015	<u>\$ 900.2</u>	<u>\$ 460.0</u>	<u>\$ 495.1</u>	<u>\$ 428.1</u>	<u>\$ 244.7</u>	<u>\$2,528.1</u>

During the nine month period ended June 28, 2015, the Company recorded additions to goodwill and intangible assets related to the acquisitions of Tell Manufacturing, Inc. (“Tell”), Proctor & Gamble’s European pet food business consisting of the IAMS and Eukanuba brands (“European IAMS and Eukanuba”), Salix Animal Health LLC (“Salix”) and AAG. AAG is reported as a stand alone reporting segment under “Global Auto Care”. See Note 11 “Segment Results,” and Note 13 “Acquisitions,” for further information.

Intangible assets subject to amortization include proprietary technology, customer relationships and certain trade names. The useful lives for proprietary technology assets associated with the Global Batteries & Appliances segment, the Hardware & Home Improvement segment, the Global Pet Supplies segment and the Global Auto Care segment range from 9 to 17 years, 8 to 9 years, 4 to 9 years and 8 to 10 years, respectively. The useful lives of customer relationships range from 15 to 20 years within the Global Batteries & Appliances segment, are 20 years within both the Hardware & Home Improvement and Home and Garden segments, range from 2 to 20 years within the Global Pet Supplies segment and range from 13 to 15 years within the Global Auto Care segment. The useful lives for trade names are up to 12 years within the Global Batteries & Appliances segment, range from 5 to 8 years within the Hardware & Home Improvement segment, and range from 3 to 13 years within the Global Pet Supplies segment.

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

The carrying value and accumulated amortization for intangible assets subject to amortization are as follows:

	<u>June 28, 2015</u>	<u>September 30, 2014</u>
Technology Assets Subject to Amortization:		
Gross balance	\$ 242.6	\$ 192.2
Accumulated amortization	(72.3)	(57.6)
Carrying value, net	<u>\$ 170.3</u>	<u>\$ 134.6</u>
Trade Names Subject to Amortization:		
Gross balance	\$ 171.6	\$ 171.0
Accumulated amortization	(73.2)	(61.0)
Carrying value, net	<u>\$ 98.4</u>	<u>\$ 110.0</u>
Customer Relationships Subject to Amortization:		
Gross balance	\$ 992.0	\$ 877.2
Accumulated amortization	(234.4)	(204.6)
Carrying value, net	<u>\$ 757.6</u>	<u>\$ 672.6</u>
Total Intangible Assets, net Subject to Amortization	<u><u>\$1,026.3</u></u>	<u><u>\$ 917.2</u></u>

Amortization expense for the three and nine month periods ended June 28, 2015 and June 29, 2014 is as follows:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Proprietary technology amortization	\$ 5.3	\$ 4.7	\$ 14.7	\$ 13.9
Trade names amortization	4.1	4.1	12.3	12.3
Customer relationships amortization	12.9	11.7	37.0	35.0
	<u>\$ 22.3</u>	<u>\$ 20.5</u>	<u>\$ 64.0</u>	<u>\$ 61.2</u>

The Company estimates annual amortization expense of intangible assets for the next five fiscal years will approximate \$90.0 per year.

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

6 DEBT

Debt consists of the following:

	<u>June 28, 2015</u>		<u>September 30, 2014</u>		<u>Interest Terms</u>
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	
Term Loan, due September 4, 2017 (Tranche A)	\$ —	— %	\$ 648.4	3.0%	Variable rate, see below
Term Loan, due September 4, 2019 (Tranche C)	—	— %	509.9	3.6%	Variable rate, see below
Term Loan, due June 23, 2022	1,450.0	3.8%	—	— %	Variable rate, see below
CAD Term Loan, due December 17, 2019	—	— %	34.2	5.1%	Variable rate, see below
CAD Term Loan, due June 23, 2022	60.9	4.5%	—	— %	Variable rate, see below
Euro Term Loan, due September 4, 2019	—	— %	283.3	3.8%	Variable rate, see below
Euro Term Loan, due June 23, 2022	336.2	3.5%	—	— %	Variable rate, see below
6.375% Notes, due November 15, 2020	520.0	6.4%	520.0	6.4%	Fixed rate
6.625% Notes, due November 15, 2022	570.0	6.6%	570.0	6.6%	Fixed rate
6.75% Notes, due March 15, 2020	—	— %	300.0	6.8%	Fixed rate
6.125% Notes, due December 15, 2024	250.0	6.1%	—	— %	Fixed rate
5.75% Notes, due July 15, 2025	1,000.0	5.8%	—	— %	Fixed rate
Revolver Facility, expiring June 23, 2020	47.5	5.3%	—	— %	Variable rate, see below
Other notes and obligations	79.0	8.5%	52.4	6.7%	Various
Capitalized lease obligations	88.7	5.9%	94.7	6.1%	Various
	<u>\$4,402.3</u>		<u>\$3,012.9</u>		
Original issuance discounts on debt	(8.5)		(6.2)		
Less: current maturities	<u>(99.5)</u>		<u>(112.6)</u>		
Long-term debt	<u>\$4,294.3</u>		<u>\$2,894.1</u>		

The Company has the following debt instruments outstanding at June 28, 2015: (i) senior secured term loan facilities pursuant to a senior credit agreement (the “Senior Credit Agreement”) which consist of a \$1,450.0 U.S. dollar denominated term loan facility (“USD Term Loan”), a \$60.9 Canadian dollar (“CAD”) denominated term loan facility (“CAD Term Loan”), a \$336.2 Euro denominated term loan facility (“Euro Term Loan”) (together, the “Term Loan”); (ii) \$520.0 6.375% unsecured notes due 2020 (the “6.375% Notes”); (iii) \$570.0 6.625% unsecured notes due 2022 (the “6.625% Notes”); (iv) \$250.0 6.125% unsecured notes due 2024 (the “6.125% Notes”); (v) \$1,000.0 5.75% unsecured notes due 2025 (the “5.75% Notes”); and (vi) a \$500.0 cash flow revolving credit facility pursuant to the Senior Credit Agreement (the “Revolver Facility”).

Interest Terms

Certain of the Company’s debt instruments are subject to variable interest rates. The variable rates disclosed in the table above are weighted averages based on outstanding debt balances and corresponding rates in effect as of the period end. At June 28, 2015, the Company’s variable interest rate terms are as follows: in the case of the USD Term Loan, either adjusted LIBOR (International Exchange London Interbank Offered Rate), subject to a 0.75% floor, plus 3.0% per annum, or base rate plus 2.0% per annum; in the case of the CAD Term Loan either CDOR (Canadian Dollar Offered Rate), subject to a 0.75% floor (0.99% at June 28, 2015) plus 3.5% per annum, or base rate plus 2.5% per annum; in the case of the Euro Term Loan EURIBOR (Euro Interbank Offered Rate), subject to a 0.75% floor, plus 2.75% per annum, with no base rate option available; and in the case of the Revolver Facility, either adjusted LIBOR plus 3.0% per annum, or base rate plus 2.0% per annum.

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Term Loan

On June 23, 2015, Spectrum Brands, Inc., a subsidiary of the Company (“SBI”), entered into term loan facilities pursuant to a Senior Credit Agreement consisting of a \$1,450.0 USD Term Loan due June 23, 2022, a \$75.0 CAD Term Loan due June 23, 2022 and a €300.0 Euro Term Loan due June 23, 2022, and entered into a \$500.0 Revolver Facility due June 23, 2020. The proceeds from the Term Loan facilities and draws on the Revolver Facility were used to repay SBI’s then-existing senior term credit facility, repay SBI’s outstanding 6.75% senior unsecured notes due 2020, repay and replace SBI’s then-existing asset based revolving loan facility, and to pay fees and expenses in connection with the refinancing and for general corporate purposes.

Subject to certain mandatory prepayment events, the Term Loan is subject to repayment according to scheduled amortizations, with the final payments of all amounts outstanding, plus accrued and unpaid interest, due at maturity. The Senior Credit Agreement contains customary affirmative and negative covenants, including, but not limited to, restrictions on SBI and its restricted subsidiaries’ ability to incur indebtedness, create liens, make investments, pay dividends or make certain other distributions, and merge or consolidate or sell assets, in each case subject to certain exceptions set forth in the Senior Credit Agreement. Pursuant to a guarantee agreement, SB/RH Holdings, LLC and the material wholly-owned domestic subsidiaries of SBI have guaranteed SBI’s obligations under the Senior Credit Agreement and related loan documents. Pursuant to a security agreement, SBI and such subsidiary guarantors have pledged substantially all of their respective assets to secure such obligations and, in addition, the Company has pledged the capital stock of SBI to secure such obligations. The Senior Credit Agreement also provides for customary events of default including payment defaults and cross-defaults to other material indebtedness.

In addition, the Senior Credit Agreement, solely with respect to the Revolver Facility, contains a financial covenant on the maximum net total leverage ratio that is tested on the last day of each fiscal quarter commencing with the fiscal quarter ending September 30, 2015.

The USD Term Loan was issued at a 0.25% discount and was recorded net of the \$3.6 amount incurred. The discount will be amortized as an adjustment to the carrying value of principal with a corresponding charge to interest expense over the remaining life of the USD Term Loan. In connection with the issuance of the USD Term Loan, the Company recorded \$12.4 of fees of which \$4.5 are classified as Debt issuance costs within the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) and are amortized as an adjustment to interest expense over the remaining life of the USD Term Loan with the remainder of \$7.9 reflected as an increase to interest expense during both the three and nine month periods ended June 28, 2015. The Company recorded accelerated amortization of portions of the unamortized discount and unamortized Debt issuance costs related to the refinancing of the USD Term Loan totaling \$5.1 as an increase to interest expense during both the three and nine month periods ended June 28, 2015.

The CAD Term Loan was issued at a 1.0% discount and was recorded net of the \$0.8 CAD amount incurred. The discount will be amortized as an adjustment to the carrying value of principal with a corresponding charge to interest expense over the remaining life of the CAD Term Loan. In connection with the issuance of the CAD Term Loan, the Company recorded \$0.6 of fees of which \$0.4 are classified as Debt issuance costs within the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) and are amortized as an adjustment to interest expense over the remaining life of the CAD Term Loan with the remainder \$0.2 reflected as an increase to interest expense during both the three and nine month periods ended June 28, 2015. The Company recorded accelerated amortization of portions of the unamortized discount and unamortized Debt issuance costs related to the refinancing of the CAD Term Loan totaling \$0.4 as an increase to interest expense during both the three and nine month periods ended June 28, 2015.

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
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The Euro Term Loan was issued at a 0.25% discount and was recorded net of the €0.8 amount incurred. The discount will be amortized as an adjustment to the carrying value of principal with a corresponding charge to interest expense over the remaining life of the Euro Term Loan. SBI previously issued €150.0 of term debt in the three month period ended December 28, 2014 and repaid the same term debt in the three month period ended June 28, 2015 in connection with the issuance of the Euro Term Loan. During the three and nine month periods ended June 28, 2015, the Company recorded \$2.6 and \$4.9 USD of fees, respectively, related to these Euro denominated debt transactions, of which \$2.6 are classified as Debt issuance costs within the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) and are amortized as an adjustment to interest expense over the remaining life of the Euro Term Loan with the remainder of \$2.3 reflected as an increase to interest expense during both the three and nine month periods ended June 28, 2015. The Company recorded accelerated amortization of portions of the unamortized discount and unamortized Debt issuance costs related to the refinancing of the Euro Term Loan totaling \$2.3 as an increase to interest expense during both the three and nine month periods ended June 28, 2015.

6.125% Notes

On December 4, 2014, SBI issued \$250.0 aggregate principal amount of 6.125% Notes at par value, due December 15, 2024. The 6.125% Notes are guaranteed by the Company's and SBI's existing and future domestic subsidiaries.

SBI may redeem all or a part of the 6.125% Notes, at any time on or after December 15, 2019, at specified redemption prices. In addition, prior to December 15, 2019, SBI may redeem the notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium. SBI is also entitled to redeem up to 35% of the aggregate principal amount of the notes before December 15, 2017 with an amount of cash equal to the net proceeds that SBI raises in equity offerings at specified redemption prices. Further, the indenture governing the 6.125% Notes (the "2024 Indenture") requires SBI to make an offer, in cash, to repurchase all or a portion of the applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of SBI, as defined in the 2024 Indenture.

The 2024 Indenture contains customary covenants that limit, among other things, the incurrence of additional indebtedness, payment of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2024 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2024 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 6.125% Notes. If any other event of default under the 2024 Indenture occurs and is continuing, the trustee for the 2024 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 6.125% Notes, may declare the acceleration of the amounts due under those notes.

The Company recorded \$4.6 of fees in connection with the offering of the 6.125% Notes during the nine month periods ended June 28, 2015. The fees are classified as Debt issuance costs within the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) and are amortized as an adjustment to interest expense over the remaining life of the 6.125% Notes.

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5.75% Notes

On May 20, 2015, in connection with the acquisition of the AAG Business, SBI issued \$1,000.0 aggregate principal amount of 5.75% Notes at par value, due July 15, 2025. The 5.75% Notes are guaranteed by the Company's and SBI's existing and future domestic subsidiaries.

SBI may redeem all or a part of the 5.75% Notes, at any time on or after July 15, 2020, at specified redemption prices. In addition, prior to July 15, 2020, SBI may redeem the notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium. SBI is also entitled to redeem up to 35% of the aggregate principal amount of the notes before July 15, 2018 with an amount of cash equal to the net proceeds that SBI raises in equity offerings at specified redemption prices. Further, the indenture governing the 5.75% Notes (the "2025 Indenture") requires SBI to make an offer, in cash, to repurchase all or a portion of the applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of SBI, as defined in the 2025 Indenture.

The 2025 Indenture contains customary covenants that limit, among other things, the incurrence of additional indebtedness, payment of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2025 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2025 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 5.75% Notes. If any other event of default under the 2025 Indenture occurs and is continuing, the trustee for the 2025 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 5.75% Notes, may declare the acceleration of the amounts due under those notes.

The Company recorded \$19.5 of fees in connection with the offering of the 5.75% Notes during both the three and nine month periods ended June 28, 2015. The fees are classified as Debt issuance costs within the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) and are amortized as an adjustment to interest expense over the remaining life of the 5.75% Notes.

6.75% Notes

On June 23, 2015 SBI called the \$300.0 outstanding aggregate principal amount of 6.75% senior unsecured notes due 2020 (the "6.75% Notes"). In connection with the call, SBI paid the trustee principal, interest and a call premium sufficient to redeem the \$300.0 of 6.75% Notes outstanding. The trustee under the indenture governing the 6.75% Notes accepted those funds in trust for the benefit of the holders of the 6.75% Notes and has acknowledged the satisfaction and discharge of the 6.75% Notes and the indenture governing the 6.75% Notes. On July 23, 2015, the Trustee redeemed the 6.75% Notes.

In connection with the call, the Company recorded \$15.2 of fees and expenses as a cash charge to interest expense in the Condensed Consolidated Statements of Operations (unaudited) during both the three and nine month periods ended June 28, 2015. In connection with the satisfaction and discharge process, the Company recorded cash charges of \$1.7 to interest expense in the Condensed Consolidated Statements of Operations (unaudited) during both the three and nine month periods ended June 28, 2015. In addition, \$4.1 of debt issuance

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costs related to the 6.75% Notes were written off as a non-cash charge to interest expense in the Condensed Consolidated Statements of Operations (unaudited) in both the three and nine month periods ended June 28, 2015.

Revolver Facility

As noted above, on June 23, 2015, SBI entered into a new Revolver Facility under the Senior Credit Agreement for \$500.0 of aggregate commitment maturing June 23, 2020. In connection with the new Revolver Facility, the Company incurred \$5.7 of fees all of which are classified as Debt issuance costs within the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) and are amortized as an adjustment to interest expense over the remaining life of the Revolver Facility. The Company recorded accelerated amortization of portions of the unamortized Debt Issuance costs related to the refinancing of the Prior Revolver Facility totaling \$1.1 as an increase to interest expense during both the three and nine month periods ended June 28, 2015.

As a result of borrowings and payments under the Revolver Facility, at June 28, 2015, the Company had aggregate borrowing availability of approximately \$419.3, net of outstanding letters of credit of \$33.2.

7 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used by the Company principally in the management of its interest rate, foreign currency exchange rate and raw material price exposures. The Company does not hold or issue derivative financial instruments for trading purposes. Derivative instruments are reported at fair value in the Condensed Consolidated Statements of Financial Position (Unaudited). When hedge accounting is elected at inception, the Company formally designates the financial instrument as a hedge of a specific underlying exposure and documents both the risk management objectives and strategies for undertaking the hedge. The Company formally assesses both at the inception of the hedging instrument and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the forecasted cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the forecasted cash flows of the underlying exposures being hedged. Any ineffective portion of a financial instrument's change in fair value is recognized in earnings in the period incurred. For derivatives that are not designated as cash flow hedges, or do not qualify for hedge accounting treatment, the change in the fair value is also recognized in earnings in the period incurred.

Derivative Financial Instruments

Cash Flow Hedges

The Company uses interest rate swaps to manage its interest rate risk. The swaps are designated as cash flow hedges with the changes in fair value recorded in Accumulated Other Comprehensive Income (Loss) ("AOCI") and as a derivative hedge asset or liability, as applicable. The swaps settle periodically in arrears with the related amounts for the current settlement period payable to, or receivable from, the counter-parties included in accrued liabilities or receivables, respectively, and recognized in earnings as an adjustment to Interest expense from the underlying debt to which the swap is designated. At both June 28, 2015 and September 30, 2014, the Company had a series of U.S. dollar denominated interest rate swaps outstanding which effectively fix the interest on floating rate debt, exclusive of lender spreads, at 1.36% for a notional principal amount of \$300.0 through April 2017. The derivative net loss on these contracts recorded in AOCI by the Company at June 28, 2015 was \$1.8, net of tax benefit of \$0.0. At June 28, 2015, the portion of derivative net losses estimated to be reclassified from AOCI into earnings by the Company over the next 12 months is \$1.4, net of tax.

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The Company's interest rate swap derivative financial instruments at June 28, 2015 and September 30, 2014 are summarized as follows:

	June 28, 2015		September 30, 2014	
	Notional Amount	Remaining Years	Notional Amount	Remaining Years
Interest rate swaps—fixed	\$ 300.0	1.8	\$ 300.0	2.5

The Company periodically enters into forward foreign exchange contracts to hedge the risk from forecasted foreign currency denominated third party and intercompany sales or payments. These obligations generally require the Company to exchange foreign currencies for U.S. Dollars, Euros, Pounds Sterling, Australian Dollars, Brazilian Reals, Mexican Pesos, Canadian Dollars or Japanese Yen. These foreign exchange contracts are cash flow hedges of fluctuating foreign exchange related to sales of product or raw material purchases. Until the sale or purchase is recognized, the fair value of the related hedge is recorded in AOCI and as a derivative hedge asset or liability, as applicable. At the time the sale or purchase is recognized, the fair value of the related hedge is reclassified as an adjustment to Net sales or purchase price variance in Cost of goods sold. At June 28, 2015, the Company had a series of foreign exchange derivative contracts outstanding through September 2016 with a contract value of \$293.8. The derivative net gain on these contracts recorded in AOCI by the Company at June 28, 2015 was \$3.8, net of tax expense of \$1.6. At June 28, 2015, the portion of derivative net gains estimated to be reclassified from AOCI into earnings by the Company over the next 12 months is \$4.2, net of tax.

The Company is exposed to risk from fluctuating prices for raw materials, specifically zinc and brass used in its manufacturing processes. The Company hedges a portion of the risk associated with the purchase of these materials through the use of commodity swaps. The hedge contracts are designated as cash flow hedges with the fair value changes recorded in AOCI and as a hedge asset or liability, as applicable. The unrecognized changes in fair value of the hedge contracts are reclassified from AOCI into earnings when the hedged purchase of raw materials also affects earnings. The swaps effectively fix the floating price on a specified quantity of raw materials through a specified date. At June 28, 2015, the Company had a series of zinc swap contracts outstanding through September 2016 for 7.8 thousand metric tons with a contract value of \$17.0. At June 28, 2015, the Company had a series of brass swap contracts outstanding through March 2017 for 1.7 thousand metric tons with a contract value of \$8.1. The derivative net loss on these contracts recorded in AOCI by the Company at June 28, 2015 was \$1.4, net of tax benefit of \$0.2. At June 28, 2015, the portion of derivative net loss estimated to be reclassified from AOCI into earnings by the Company over the next 12 months is \$1.3, net of tax.

Derivative Contracts Not Designated as Hedges for Accounting Purposes

The Company periodically enters into forward and swap foreign exchange contracts to economically hedge the risk from third party and intercompany payments resulting from existing obligations. These obligations generally require the Company to exchange foreign currencies for U.S. Dollars, Canadian Dollars, Euros or Australian Dollars. These foreign exchange contracts are fair value hedges of a related liability or asset recorded in the accompanying Condensed Consolidated Statements of Financial Position (Unaudited). The gain or loss on the derivative hedge contracts is recorded in earnings as an offset to the change in value of the related liability or asset at each period end. At June 28, 2015 and September 30, 2014, the Company had \$139.2 and \$108.9, respectively, of notional value of such foreign exchange derivative contracts outstanding.

The Company periodically enters into commodity swap contracts to economically hedge the risk from fluctuating prices for raw materials, specifically the pass-through of market prices for silver used in manufacturing purchased watch batteries. The Company hedges a portion of the risk associated with these

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materials through the use of commodity swaps. The swap contracts are designated as economic hedges with the unrealized gain or loss recorded in earnings and as an asset or liability at each period end. The swaps effectively fix the floating price on a specified quantity of silver through a specified date. At June 28, 2015, the Company had a series of such swap contracts outstanding through September 2015 for 10.0 thousand troy ounces with a contract value of \$0.2. At September 30, 2014, the Company had a series of such swap contracts outstanding through September 30, 2015 for 25.0 thousand troy ounces with a contract value of \$0.4.

Fair Value of Derivative Instruments

The Company discloses its derivative instruments and hedging activities in accordance with ASC Topic 815: “*Derivatives and Hedging*” (“ASC 815”).

The fair value of the Company’s outstanding derivative contracts recorded as assets in the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) are as follows:

Asset Derivatives		June 28, 2015	September 30, 2014
Derivatives designated as hedging instruments under ASC 815:			
Interest rate contracts	Deferred charges and other	\$ —	\$ 0.6
Commodity contracts	Receivables—Other	—	1.3
Foreign exchange contracts	Cash	0.3	—
Foreign exchange contracts	Receivables—Other	5.9	12.0
Foreign exchange contracts	Deferred charges and other	—	0.3
Total asset derivatives designated as hedging instruments under ASC 815		6.2	14.2
Derivatives not designated as hedging instruments under ASC 815:			
Foreign exchange contracts	Receivables—Other	—	0.5
Total asset derivatives		\$ 6.2	\$ 14.7

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The fair value of the Company's outstanding derivative contracts recorded as liabilities in the accompanying Condensed Consolidated Statements of Financial Position (Unaudited) are as follows:

Liability Derivatives		June 28, 2015	September 30, 2014
Derivatives designated as hedging instruments under ASC 815:			
Interest rate contracts	Other current liabilities	\$ 1.4	\$ 1.3
Interest rate contracts	Accrued interest	0.4	0.4
Interest rate contracts	Other long-term liabilities	0.4	—
Commodity contracts	Accounts payable	1.5	0.2
Commodity contracts	Other long-term liabilities	0.1	—
Foreign exchange contracts	Accounts payable	0.4	—
Foreign exchange contracts	Other long-term liabilities	0.4	—
Total liability derivatives designated as hedging instruments under ASC 815		\$ 4.6	\$ 1.9
Derivatives not designated as hedging instruments under ASC 815:			
Commodity contract	Accounts payable	\$ —	\$ 0.1
Foreign exchange contracts	Accounts payable	0.2	0.1
Total liability derivatives		\$ 4.8	\$ 2.1

Changes in AOCI from Derivative Instruments

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of AOCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on derivatives representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. See Note 3, "Comprehensive Income (Loss)" for further information.

The following table summarizes the impact of derivative instruments on the accompanying Condensed Consolidated Statement of Operations (Unaudited) for the three month period ended June 28, 2015, pretax:

Derivatives in ASC 815 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Interest rate contracts	\$ (0.5)	Interest expense	\$ (0.5)	Interest expense	\$ —
Commodity contracts	(0.7)	Cost of goods sold	—	Cost of goods sold	—
Foreign exchange contracts	0.2	Net sales	—	Net sales	—
Foreign exchange contracts	(6.8)	Cost of goods sold	8.6	Cost of goods sold	—
Total	\$ (7.8)		\$ 8.1		\$ —

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
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The following table summarizes the impact of derivative instruments on the accompanying Condensed Consolidated Statement of Operations (Unaudited) for the nine month period ended June 28, 2015, pretax:

<u>Derivatives in ASC 815 Cash Flow Hedging Relationships</u>	<u>Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)</u>	<u>Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)</u>	<u>Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)</u>	<u>Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>	<u>Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>
Interest rate contracts	\$ (2.4)	Interest expense	\$ (1.4)	Interest expense	\$ —
Commodity contracts	(2.4)	Cost of goods sold	0.3	Cost of goods sold	—
Foreign exchange contracts	0.1	Net sales	—	Net sales	—
Foreign exchange contracts	14.0	Cost of goods sold	21.0	Cost of goods sold	—
Total	\$ 9.3		\$ 19.9		\$ —

The following table summarizes the impact of derivative instruments on the accompanying Condensed Consolidated Statement of Operations (Unaudited) for the three month period ended June 29, 2014, pretax:

<u>Derivatives in ASC 815 Cash Flow Hedging Relationships</u>	<u>Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)</u>	<u>Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)</u>	<u>Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)</u>	<u>Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>	<u>Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>
Commodity contracts	\$ 1.3	Cost of goods sold	\$ 0.1	Cost of goods sold	\$ —
Interest rate contracts	(1.9)	Interest expense	(0.4)	Interest expense	—
Foreign exchange contracts	—	Net sales	0.1	Net sales	—
Foreign exchange contracts	(2.4)	Cost of goods sold	(1.1)	Cost of goods sold	—
Total	\$ (3.0)		\$ (1.3)		\$ —

The following table summarizes the impact of derivative instruments on the accompanying Condensed Consolidated Statement of Operations (Unaudited) for the nine month period ended June 29, 2014, pretax:

<u>Derivatives in ASC 815 Cash Flow Hedging Relationships</u>	<u>Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)</u>	<u>Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)</u>	<u>Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)</u>	<u>Location of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>	<u>Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>
Commodity contracts	\$ 1.4	Cost of goods sold	\$ 0.1	Cost of goods sold	\$ —
Interest rate contracts	(1.9)	Interest expense	(0.4)	Interest expense	—
Foreign exchange contracts	0.1	Net sales	0.1	Net sales	—
Foreign exchange contracts	(3.5)	Cost of goods sold	(2.0)	Cost of goods sold	—
Total	\$ (3.9)		\$ (2.2)		\$ —

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Other Changes in Fair Value of Derivative Contracts

For derivative instruments that are used to economically hedge the fair value of the Company's third party and intercompany foreign currency payments, commodity purchases and interest rate payments, but are not designated as hedging instruments under ASC 815, the gain (loss) associated with the derivative contract is recognized in earnings in the period of change. During the three month periods ended June 28, 2015 and June 29, 2014, the Company recognized the following gains (losses) on these derivative contracts:

<u>Derivatives Not Designated as Hedging Instruments Under ASC 815</u>	<u>Amount of Gain (Loss) Recognized in Income on Derivatives</u>		<u>Location of Gain (Loss) Recognized in Income on Derivatives</u>
	<u>2015</u>	<u>2014</u>	
Commodity contracts	\$ —	\$ 0.1	Cost of goods sold
Foreign exchange contracts	5.0	(0.3)	Other expense, net
Total	\$ 5.0	\$ (0.2)	

During the nine month periods ended June 28, 2015 and June 29, 2014, the Company recognized the following gains (losses) on these derivative contracts:

<u>Derivatives Not Designated as Hedging Instruments Under ASC 815</u>	<u>Amount of Gain (Loss) Recognized in Income on Derivatives</u>		<u>Location of Gain (Loss) Recognized in Income on Derivatives</u>
	<u>2015</u>	<u>2014</u>	
Foreign exchange contracts	\$ (2.4)	\$ 0.4	Other expense, net

8 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's net derivative portfolio as of June 28, 2015, contains Level 2 instruments and consists of commodity, interest rate and foreign exchange contracts. The fair values of these instruments as of June 28, 2015 were as follows asset/(liability):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Interest rate contracts	\$ —	\$ —	\$ —	\$ —
Commodity contracts	—	—	—	—
Foreign exchange contracts	—	6.2	—	6.2
Total Assets	\$ —	\$ 6.2	\$ —	\$ 6.2
Liabilities:				
Interest rate contracts	\$ —	\$ (2.2)	\$ —	\$(2.2)
Commodity contracts	—	(1.6)	\$ —	(1.6)
Foreign exchange contracts	—	(1.0)	—	(1.0)
Total Liabilities	\$ —	\$ (4.8)	\$ —	\$(4.8)

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The Company's net derivative portfolio as of September 30, 2014, contains Level 2 instruments and consists of commodity and foreign exchange contracts. The fair values of these instruments as of September 30, 2014 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Interest rate contracts	\$ —	\$ 0.6	\$ —	\$ 0.6
Commodity contracts	—	1.3	—	1.3
Foreign exchange contracts	—	12.8	—	12.8
Total Assets	\$ —	\$ 14.7	\$ —	\$ 14.7
Liabilities:				
Interest rate contracts	\$ —	\$ (1.7)	\$ —	\$ (1.7)
Commodity contracts	—	(0.3)	—	(0.3)
Foreign exchange contracts	—	(0.1)	—	(0.1)
Total Liabilities	\$ —	\$ (2.1)	\$ —	\$ (2.1)

The carrying values of cash and cash equivalents, accounts and notes receivable, accounts payable and non-publicly traded debt approximate fair value. The fair values of long-term publicly traded debt are based on unadjusted quoted market prices (Level 1) and derivative financial instruments are generally based on quoted or observed market prices (Level 2).

The carrying values of goodwill, intangible assets and other long-lived assets are tested annually, or more frequently if an event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3).

The carrying amounts and fair values of the Company's financial instruments are summarized as follows asset/(liability):

	<u>June 28, 2015</u>		<u>September 30, 2014</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Total debt	\$(4,393.8)	\$ (4,522.4)	\$ (3,006.7)	\$ (3,077.3)
Interest swap agreements	(2.2)	(2.2)	(1.1)	(1.1)
Commodity swap and option agreements	(1.6)	(1.6)	1.0	1.0
Foreign exchange forward agreements	5.2	5.2	12.7	12.7

9 EMPLOYEE BENEFIT PLANS

Pension Benefits

The Company has various defined benefit pension plans covering some of its employees in the U.S. and certain employees in other countries, including the United Kingdom, the Netherlands, Germany, Guatemala, Brazil, Mexico and Taiwan. These pension plans generally provide benefits of stated amounts for each year of service.

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The Company's results of operations for the three and nine month periods ended June 28, 2015 and June 29, 2014 reflect the following pension and deferred compensation benefit costs:

<u>Components of net periodic benefit and deferred compensation benefit cost</u>	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Service cost	\$ 0.8	\$ 0.9	\$ 2.4	\$ 2.6
Interest cost	2.4	2.6	7.3	7.8
Expected return on assets	(2.4)	(2.5)	(7.5)	(7.4)
Recognized net actuarial loss	0.3	0.4	1.1	1.1
Net periodic benefit cost	\$ 1.1	\$ 1.4	\$ 3.3	\$ 4.1

The Company funds its U.S. pension plans in accordance with the Internal Revenue Service defined guidelines and, where applicable, in amounts sufficient to satisfy the minimum funding requirements of applicable laws. Additionally, in compliance with the Company's funding policy, annual contributions to non-U.S. defined benefit plans are equal to the actuarial recommendations or statutory requirements in the respective countries. The Company's contributions to its pension and deferred compensation plans for the three and nine month periods ended June 28, 2015 and June 29, 2014 were as follows:

<u>Pension and deferred compensation contributions</u>	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Contributions made during period	\$ 2.0	\$ 3.7	\$ 7.5	\$ 9.1

The Company sponsors a defined contribution pension plan for its domestic salaried employees, which allows participants to make contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. The Company also sponsors defined contribution pension plans for employees of certain foreign subsidiaries. Company contributions charged to operations, including discretionary amounts, for the three and nine month periods ended June 28, 2015 were \$2.6 and \$8.6, respectively. Company contributions charged to operations, including discretionary amounts, for the three and nine month periods ended June 29, 2014 were \$3.4 and \$10.7, respectively.

10 INCOME TAXES

The Company's effective tax rates for the three and nine month periods ended June 28, 2015 were (104%) and 4%, respectively. The Company's effective tax rate for both the three and nine month periods ended June 29, 2014 was 21%. The Company's effective tax rates differ from the U.S. federal statutory rate of 35% principally due to (i) income earned outside the U.S. that is subject to statutory rates lower than 35%, (ii) the release of valuation allowance on U.S. net operating loss deferred tax assets offsetting tax expense on both U.S. pretax income and foreign income not permanently reinvested, and (iii) deferred income tax expense related to the change in book versus tax basis of indefinite-lived intangibles, which are amortized for tax purposes but not for book purposes. Additionally, during the three month period ended June 28, 2015, the Company recognized a \$31.4 tax benefit from the reversal of a portion of our U.S. valuation allowance on deferred tax assets in connection with the purchase of AAG.

The Company records the impact of a tax position if it concludes that the position is more likely than not sustainable upon audit, based on the technical merits of the position. At June 28, 2015 and September 30, 2014, the Company had \$15.7 and \$11.3, respectively, of unrecognized tax benefits related to uncertain tax positions. At June 28, 2015 and September 30, 2014, the Company had approximately \$4.1 and \$3.5, respectively, of

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accrued interest and penalties related to the uncertain tax positions. Interest and penalties related to uncertain tax positions are reported as Income tax expense.

As of June 28, 2015, certain of the Company's legal entities in various jurisdictions are undergoing income tax audits. The Company cannot predict the ultimate outcome of the examinations; however, it is reasonably possible that during the next 12 months, some portion of previously unrecognized tax benefits could be recognized.

11 SEGMENT RESULTS

The Company manages its business in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances; (ii) Hardware & Home Improvement; (iii) Global Pet Supplies; (iv) Home and Garden; and (v) Global Auto Care, which consists of the recently acquired AAG business.

Global strategic initiatives and financial objectives for each reportable segment are determined at the corporate level. Each reportable segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for the sales and marketing initiatives and financial results for product lines within that segment.

Net sales and Cost of goods sold from transactions with other business segments have been eliminated. The gross contribution of intersegment sales is included in the segment selling the product to the external customer. Segment net sales are based upon the segment from which the product is shipped.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plan costs which are evaluated on a consolidated basis and not allocated to the Company's operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are identified to operating segments or corporate expense according to the function of each cost center.

All capital expenditures are related to operating segments. Variable allocations of assets are not made for segment reporting.

Segment information for the three and nine month periods ended June 28, 2015 and June 29, 2014 is as follows:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<i>Net sales to external customers</i>				
Consumer batteries	\$ 178.3	\$ 213.3	\$ 600.3	\$ 689.2
Small appliances	161.3	163.9	536.7	533.2
Personal care	119.4	117.6	402.3	412.6
Global Batteries & Appliances	459.0	494.8	1,539.3	1,635.0
Hardware & Home Improvement	313.5	306.9	874.1	852.2
Global Pet Supplies	208.3	152.2	538.8	440.7
Global Auto Care	64.4	—	64.4	—
Home and Garden	202.3	174.6	365.7	322.9
Total segments	<u>\$ 1,247.5</u>	<u>\$ 1,128.5</u>	<u>\$ 3,382.3</u>	<u>\$ 3,250.8</u>

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	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Segment profit				
Global Batteries & Appliances	\$ 42.1	\$ 49.1	\$180.4	\$190.6
Hardware & Home Improvement	53.7	50.7	129.9	125.5
Global Pet Supplies	28.0	22.9	52.3	56.5
Global Auto Care	12.8	—	12.8	—
Home and Garden	<u>59.3</u>	<u>48.4</u>	<u>90.4</u>	<u>70.2</u>
Total segments	195.9	171.1	465.8	442.8
Corporate expense	23.8	15.5	55.2	43.9
Acquisition and integration related charges	24.2	2.7	44.2	14.5
Restructuring and related charges	10.5	3.7	22.3	16.0
Interest expense	112.9	47.3	206.5	151.7
Other expense, net	<u>1.7</u>	<u>2.8</u>	<u>5.6</u>	<u>4.4</u>
Income from continuing operations before income taxes	<u>\$ 22.8</u>	<u>\$ 99.1</u>	<u>\$132.0</u>	<u>\$212.3</u>

Segment assets for the Company's product-focused reporting segments and its Corporate function are as follows:

	<u>June 28, 2015</u>	<u>September 30, 2014</u>
	<u>(Unaudited)</u>	
Segment total assets		
Global Batteries & Appliances	\$ 2,093.7	\$ 2,152.0
Hardware & Home Improvement	1,708.9	1,629.0
Global Pet Supplies	1,156.4	890.4
Global Auto Care	1,658.4	—
Home and Garden	<u>594.8</u>	<u>526.6</u>
Total segment assets	7,212.2	5,198.0
Corporate	<u>261.6</u>	<u>313.3</u>
Total assets at period end	<u>\$ 7,473.8</u>	<u>\$ 5,511.3</u>

12 RESTRUCTURING AND RELATED CHARGES

The Company reports restructuring and related charges associated with manufacturing and related initiatives in Cost of goods sold. Restructuring and related charges reflected in Cost of goods sold include, but are not limited to, termination, compensation and related costs associated with manufacturing employees, asset impairments relating to manufacturing initiatives, and other costs directly related to the restructuring or integration initiatives implemented.

The Company reports restructuring and related charges relating to administrative functions in Operating expenses, such as initiatives impacting sales, marketing, distribution, or other non-manufacturing functions. Restructuring and related charges reflected in Operating expenses include, but are not limited to, termination and related costs, any asset impairments relating to the functional areas described above, and other costs directly related to the initiatives.

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The following table summarizes restructuring and related charges incurred by segment for the three and nine month periods ended June 28, 2015 and June 29, 2014:

	Three Months Ended		Nine Months Ended	
	2015	2014	2015	2014
Cost of goods sold:				
Global Batteries & Appliances	\$ —	\$ —	\$ 0.2	\$ 0.5
Hardware & Home Improvement	—	0.3	—	2.6
Global Pet Supplies	—	0.3	0.2	0.2
Total restructuring and related charges in cost of goods sold	\$ —	\$ 0.6	\$ 0.4	\$ 3.3
Operating expenses:				
Global Batteries & Appliances	\$ 1.0	\$ 2.6	\$ 6.2	\$ 9.3
Hardware & Home Improvement	6.3	0.2	7.8	1.1
Global Pet Supplies	3.1	0.3	7.3	1.6
Home and Garden	0.1	—	0.3	—
Corporate	—	—	0.3	0.7
Total restructuring and related charges in operating expenses	\$10.5	\$ 3.1	\$21.9	\$12.7
Total restructuring and related charges	\$10.5	\$ 3.7	\$22.3	\$16.0

HHI Business Rationalization Initiatives

During the fourth quarter of the fiscal year ended September 30, 2014, the Company implemented a series of initiatives throughout the Hardware & Home Improvement business segment to reduce operating costs and exit low margin business outside the U.S. (the “HHI Business Rationalization Initiatives”). These initiatives include headcount reductions, the exit of certain facilities and the sale of a portion of the Hardware & Home Improvement operations in Canada. Costs associated with these initiatives, which are expected to be incurred through September 30, 2016, are projected to total approximately \$11.0.

The Company recorded \$6.3 and \$7.7 of pretax restructuring and related charges during the three and nine month periods ended June 28, 2015, respectively, and no pretax restructuring and related charges during the three and nine month periods ended June 29, 2014, related to the HHI Business Rationalization Initiatives.

Global Expense Rationalization Initiatives Summary

During the third quarter of the fiscal year ended September 30, 2013, the Company implemented a series of initiatives throughout the Company to reduce operating costs (the “Global Expense Rationalization Initiatives”). These initiatives consist of headcount reductions primarily in the Global Batteries & Appliances segment, the Global Pet Supplies segment, the Home and Garden segment and within Corporate. Costs associated with these initiatives, which are expected to be incurred through September 30, 2018, are currently projected to total approximately \$44.0.

The Company recorded \$3.9 and \$13.9 of pretax restructuring and related charges during the three and nine month periods ended June 28, 2015, respectively, and \$2.9 and \$11.6 of pretax restructuring and related charges during the three and nine month periods ended June 29, 2014, respectively, related to the Global Expense Rationalization Initiatives.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

The following table summarizes the remaining accrual balance associated with the Global Expense Rationalization Initiatives and the activity during the nine month period ended June 28, 2015:

	<u>Termination Benefits</u>	<u>Other Costs</u>	<u>Total</u>
Accrual balance at September 30, 2014	\$ 4.1	\$ 1.4	\$ 5.5
Provisions	4.7	1.9	6.6
Cash expenditures	(5.9)	(1.1)	(7.0)
Non-cash items	(0.3)	—	(0.3)
Accrual balance at June 28, 2015	<u>\$ 2.6</u>	<u>\$ 2.2</u>	<u>\$ 4.8</u>
Expensed as incurred(A)	\$ 2.6	\$ 4.7	\$ 7.3

(A) Consists of amounts not impacting the accrual for restructuring and related charges.

The following table summarizes the expenses incurred during the nine month period ended June 28, 2015, the cumulative amount incurred to date and the total future costs expected to be incurred associated with the Global Expense Rationalization Initiatives by operating segment:

	<u>Global Batteries & Appliances</u>	<u>Global Pet Supplies</u>	<u>Corporate</u>	<u>Total</u>
Restructuring and related charges during the nine month period ended June 28, 2015	\$ 6.6	\$ 7.0	\$ 0.3	\$13.9
Restructuring and related charges since initiative inception	\$ 27.7	\$ 8.9	\$ 2.0	\$38.6
Total future restructuring and related charges expected	\$ 1.7	\$ 3.3	\$ 0.1	\$ 5.1

The Company recorded \$0.1 and \$0.2 of pretax restructuring and related charges during the three and nine month periods ended June 28, 2015, respectively, and \$0.6 and \$3.7 of pretax restructuring and related charges during the three and nine month periods ended June 29, 2014, respectively, related to initiatives implemented by the HHI Business prior to the Company's acquisition on December 17, 2012.

In connection with other restructuring efforts, the Company recorded \$0.2 and \$0.5 of pretax restructuring and related charges during the three and nine month periods ended June 28, 2015, respectively, and \$0.2 and \$0.7 of pretax restructuring and related charges during the three and nine month periods ended June 29, 2014, respectively.

13 ACQUISITIONS

In accordance with ASC Topic 805, "*Business Combinations*" ("ASC 805"), the Company accounts for acquisitions by applying the acquisition method of accounting. The acquisition method of accounting requires, among other things, that the assets acquired and liabilities assumed in a business combination be measured at their fair values as of the closing date of the acquisition.

Tell Manufacturing

On October 1, 2014, the Company completed the acquisition of Tell, a leading manufacturer and distributor of commercial doors, locks and hardware. The preliminary value of the consideration given in this acquisition, net of working capital adjustments, was \$30.3 and is not significant individually.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

The results of Tell's operations since October 1, 2014 are included in the Company's Condensed Consolidated Statements of Operations (Unaudited) and are reported as part of the Hardware & Home Improvement segment.

Preliminary Valuation of Assets and Liabilities

The assets acquired and liabilities assumed in the Tell acquisition have been measured at their fair values at October 1, 2014 as set forth below. The excess of the purchase price over the fair values of the net tangible assets and identifiable intangible assets was recorded as goodwill, which includes value associated with the assembled workforce including an experienced research team, and is expected to be deductible for income tax purposes. The preliminary fair values recorded were determined based upon a valuation and the estimates and assumptions used in such valuation are subject to change, which could be significant, within the measurement period (up to one year from the acquisition date). The primary areas of acquisition accounting that are not yet finalized relate to amounts for intangible assets, contingent liabilities, residual goodwill and income taxes.

The preliminary fair values recorded for the assets acquired and liabilities assumed for Tell are as follows:

Cash	\$ 1.1
Accounts receivable	5.4
Inventories	7.2
Prepaid expense	0.6
Property, plant and equipment, net	1.5
Intangible assets	<u>12.5</u>
Total assets acquired	\$28.3
Total liabilities assumed	<u>5.1</u>
Total identifiable net assets less goodwill	23.2
Goodwill	<u>7.1</u>
Total identifiable net assets	<u>\$30.3</u>

Preliminary Valuation Adjustments

The Company performed a preliminary valuation of the acquired inventories, property, plant and equipment, trade name and customer relationships at October 1, 2014. A summary of the significant inputs to the valuation is as follows:

- Inventories—The replacement cost approach was applied to estimate the fair value of the raw materials inventory. Finished goods were valued at estimated selling price less the sum of costs of disposal and a reasonable profit on the value added in the completion and disposal effort.
- Property, plant and equipment—The cost approach was utilized to estimate the fair value of approximately 97.0% of the property, plant and equipment. The sales comparison approach was utilized to estimate the fair value of the remaining 3.0% of the property, plant and equipment.
- The Company valued an indefinite-lived trade name using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the trade name was not owned. Royalty rates were selected based on consideration of several factors, including prior transactions of Tell, related trademarks and trade names, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the trade name. Trade name was valued at \$4.0 under this approach.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

- The Company valued customer relationships using the income approach, specifically the multi-period excess earnings method. In determining the fair value of the customer relationships, the multi-period excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. Only expected sales from current customers were used, which were estimated using annual expected growth rates of 2.5% to 7.1%. The Company assumed a customer retention rate of approximately 90%, which was supported by historical retention rates. Income taxes were estimated at 38% and amounts were discounted using a rate of 20%. The customer relationships were valued at \$8.5 under this approach and will be amortized over 13 years.

European IAMS and Eukanuba

On December 31, 2014, the Company completed the acquisition of European IAMS and Eukanuba, leading premium brands for dogs and cats. The preliminary value of the consideration given in this acquisition, net of working capital adjustments, was \$115.7 and is not significant individually.

The results of European IAMS and Eukanuba's operations since December 31, 2014 are included in the Company's Condensed Consolidated Statements of Operations (Unaudited) and are reported as part of the Global Pet Supplies segment.

Preliminary Valuation of Assets and Liabilities

The assets acquired and liabilities assumed in the European IAMS and Eukanuba acquisition have been measured at their fair values at December 31, 2014 as set forth below. The excess of the purchase price over the fair values of the net tangible assets and identifiable intangible assets was recorded as goodwill. The preliminary fair values recorded were determined based upon a valuation and the estimates and assumptions used in such valuation are subject to change, which could be significant, within the measurement period (up to one year from the acquisition date). The primary areas of acquisition accounting that are not yet finalized relate to amounts for intangible assets, contingent liabilities, residual goodwill and income taxes.

The preliminary fair values recorded for the assets acquired and liabilities assumed for European IAMS and Eukanuba are as follows:

Inventories	\$ 15.1
Prepaid expense	1.3
Other current assets	2.6
Property, plant and equipment, net	58.3
Intangible assets	40.5
Total assets acquired	\$117.8
Total liabilities assumed	5.6
Total identifiable net assets less goodwill	112.2
Goodwill	3.5
Total identifiable net assets	<u>\$115.7</u>

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

Preliminary Valuation Adjustments

The Company performed a preliminary valuation of the acquired inventories, property, plant and equipment, trade names and customer relationships at December 31, 2014. A summary of the significant inputs to the valuation is as follows:

- Inventories—The replacement cost approach was applied to estimate the fair value of the raw materials inventory. Work-in-process and finished goods inventory were valued at estimated selling price less the sum of costs of disposal and a reasonable profit on the value added in the completion and disposal effort.
- Real estate, property, plant and equipment—The market approach was utilized to estimate the fair value of land. The direct cost approach was utilized to estimate the fair value of property, plant and equipment.
- The Company valued technology using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the technology was not owned. Royalty rates were selected based on consideration of several factors, including prior transactions, related licensing agreements and the importance of the technology and profit levels, among other considerations. The Company anticipates using these technologies through the legal life of the underlying patents; therefore, the expected life of these technologies was equal to the remaining life of the underlying patents which was 8 years. The technology assets were valued at \$3.6 under this approach.
- The Company valued indefinite-lived trade names using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the trade names were not owned. Royalty rates were selected based on consideration of several factors, including prior transactions of European IAMS and Eukanuba, related trademarks and trade names, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the trade names. Trade names were valued at \$26.7 under this approach.
- The Company valued customer relationships using the income approach, specifically the multi-period excess earnings method. In determining the fair value of the customer relationships, the multi-period excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. Only expected sales from current customers were used, which were estimated using annual expected growth rates of 0.5% to 13.2%. The Company assumed a customer retention rate of approximately 90%—100%, which was supported by historical retention rates. Income taxes were estimated at 25% and amounts were discounted using a rate of 15%—16%. The customer relationships were valued at \$10.2 under this approach and will be amortized over a period of 2 and 15 years.

Salix

On January 16, 2015, the Company completed the acquisition of Salix, the world's leading and largest vertically integrated producer and distributor of premium, natural rawhide dog chews, treats and snacks. The preliminary value of the consideration given in this acquisition, net of working capital adjustments, was \$148.3 and is not significant individually.

The results of Salix's operations since January 16, 2015 are included in the Company's Condensed Consolidated Statements of Operations (Unaudited) and are reported as part of the Global Pet Supplies segment.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

Preliminary Valuation of Assets and Liabilities

The assets acquired and liabilities assumed in the Salix acquisition have been measured at their fair values at January 16, 2015 as set forth below. The excess of the purchase price over the fair values of the net tangible assets and identifiable intangible assets was recorded as goodwill, which includes value associated with the assembled workforce including an experienced research team, and is expected to be deductible for income tax purposes. The preliminary fair values recorded were determined based upon a valuation and the estimates and assumptions used in such valuation are subject to change, which could be significant, within the measurement period (up to one year from the acquisition date). The primary areas of acquisition accounting that are not yet finalized relate to amounts for intangible assets, contingent liabilities, residual goodwill and income taxes.

The preliminary fair values recorded for the assets acquired and liabilities assumed for Salix are as follows:

Cash	\$ 0.5
Accounts receivable	9.9
Inventories	17.0
Prepaid expense	2.4
Property, plant and equipment, net	1.2
Intangible assets	58.5
Total assets acquired	\$ 89.5
Total liabilities assumed	11.3
Total identifiable net assets less goodwill	78.2
Goodwill	70.1
Total identifiable net assets	<u>\$148.3</u>

Preliminary Valuation Adjustments

The Company performed a preliminary valuation of the acquired inventories, property, plant and equipment, trade names, customer relationships and non-compete agreement at January 16, 2015. A summary of the significant inputs to the valuation is as follows:

- Inventories—The replacement cost approach was applied to estimate the fair value of the raw materials and unbranded finished goods inventory. Branded finished goods were valued based on the comparative sales method, which estimates the expected sales price of the finished goods inventory, reduced for all costs expected to be incurred in its completion/disposition and a profit on those costs.
- Property, plant and equipment—The cost approach was utilized to estimate the fair value of approximately 98.0% of the property, plant and equipment. The sales comparison approach was utilized to estimate the fair value of the remaining 2.0% of the property, plant and equipment.
- The Company valued technology using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the technology was not owned. Royalty rates were selected based on consideration of several factors, including prior transactions, related licensing agreements and the importance of the technology and profit levels, among other considerations. The Company anticipates using these technologies through the legal life of the underlying patents; therefore, the expected life of these technologies was equal to the remaining life of the underlying patents which was 17 years. The technology assets were valued at \$2.1 under this approach.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

- The Company valued indefinite-lived trade names using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the trade names were not owned. Royalty rates were selected based on consideration of several factors, including prior transactions of Salix, related trademarks and trade names, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the trade names. Trade names were valued at \$20.0 under this approach.
- The Company valued definite-lived trade names using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the trade names were not owned. Royalty rates were selected based on consideration of several factors, including prior transactions of Salix, related trademarks and trade names, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the trade names. Trade names were valued at \$1.0 under this approach and will be amortized over 13 years.
- The Company valued customer relationships using the income approach, specifically the multi-period excess earnings method. In determining the fair value of the customer relationships, the multi-period excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. Only expected sales from current customers were used, which were estimated using annual expected growth rates of 0.0% to 12.1%. The Company assumed a customer retention rate of approximately 92.5%, which was supported by historical retention rates. Income taxes were estimated at 38% and amounts were discounted using a rate of 12% - 13%. The customer relationships were valued at \$34.0 under this approach and will be amortized over 13 years.
- The Company valued a non-compete agreement using the income approach that compares the prospective cash flows with and without the non-compete agreement in place. The value of the non-compete agreement is the difference between the discounted cash flows of the business under each of these two alternative scenarios (with competition and without competition), considering both tax expenditure and tax amortization benefits. The non-compete agreement was valued at \$1.4 under this approach and will be amortized over 3 years.

Armored AutoGroup

On May 21, 2015, the Company completed the acquisition of AAG, a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

The following table summarizes the preliminary consideration paid for AAG:

Negotiated purchase price	\$1,400.0
Preliminary working capital and other adjustments	71.4
Indebtedness acquired	<u>(540.0)</u>
Preliminary purchase price, net of indebtedness acquired	<u>\$ 931.4</u>

The results of AAG's operations since May 21, 2015 are included in the Company's Condensed Consolidated Statements of Operations (Unaudited) and are reported as a stand alone segment under Global Auto Care.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

Preliminary Valuation of Assets and Liabilities

The assets acquired and liabilities assumed in the AAG acquisition have been measured at their fair values at May 21, 2015 as set forth below. The excess of the purchase price over the fair values of the net tangible assets and identifiable intangible assets was recorded as goodwill, which includes value associated with the assembled workforce including an experienced research team. The preliminary fair values recorded were determined based upon a valuation and the estimates and assumptions used in such valuation are subject to change, which could be significant, within the measurement period (up to one year from the acquisition date). The primary areas of acquisition accounting that are not yet finalized relate to amounts for intangible assets, contingent liabilities, residual goodwill and income taxes.

The Company has evaluated and continues to evaluate pre-acquisition contingencies relating to the AAG acquisition that existed as of the acquisition date. Based on the evaluation to date, the Company has preliminarily determined that certain pre-acquisition contingencies are probable in nature and estimable as of the acquisition date. Accordingly, the Company has preliminarily recorded its best estimates for these contingencies as part of the preliminary valuation of the assets acquired and liabilities assumed in the acquisition of AAG. The Company continues to gather information relating to all pre-acquisition contingencies that it has assumed from the acquisition of AAG. Any changes to the pre-acquisition contingency amounts recorded during the measurement period will be included in the final valuation and related amounts recognized. Subsequent to the end of the measurement period any adjustments to pre-acquisition contingency amounts will be reflected in the Company's results of operations.

The preliminary fair values recorded for the assets acquired and liabilities assumed for AAG are as follows:

Cash	\$ 30.9
Accounts receivable	156.1
Inventories	84.5
Prepaid expense	3.2
Other current assets	6.4
Property, plant and equipment, net	42.2
Intangible assets	429.0
Other non-current assets	<u>16.4</u>
Total assets acquired	\$768.7
Total liabilities assumed	<u>803.0</u>
Total identifiable net assets less goodwill	(34.3)
Goodwill	<u>965.7</u>
Total identifiable net assets	<u>\$931.4</u>

Preliminary Valuation Adjustments

The Company performed a preliminary valuation of the acquired inventories, property, plant and equipment, trade names, customer relationships, licensing agreements and proprietary technology at May 21, 2015. A summary of the significant inputs to the valuation is as follows:

- Inventories—The replacement cost approach was applied to estimate the fair value of the raw materials and unbranded finished goods inventory. Branded finished goods were valued based on the comparative sales method, which estimates the expected sales price of the finished goods inventory, reduced for all costs expected to be incurred in its completion/disposition and a profit on those costs.

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

- Real estate, property, plant and equipment—The market approach was utilized to estimate the fair value of land. The direct cost approach was utilized to estimate the fair value of property, plant and equipment.
- The Company valued indefinite-lived trade names using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the trade names were not owned. Royalty rates were selected based on consideration of several factors, including prior transactions, related trademarks and trade names, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the trade names. Trade names were valued at \$299.0 under this approach.
- The Company valued technology using the income approach, specifically the relief from royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the technology was not owned. Royalty rates were selected based on consideration of several factors, including prior transactions, related licensing agreements and the importance of the technology and profit levels, among other considerations. The Company anticipates using these technologies through the legal life of the underlying patents; therefore, the expected life of these technologies was equal to the remaining life of the underlying patents which were 8 to 10 years. The technology assets were valued at \$45.0 under this approach.
- The Company valued licensing agreements using the income approach. Under this method, the asset value was determined by estimating the revenue stream over the implied life of the agreements, which have an average life of 8 to 10 years. Licensing agreements were valued at \$19.0 under this approach.
- The Company valued customer relationships using the income approach, specifically the multi-period excess earnings method. In determining the fair value of the customer relationships, the multi-period excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value. Only expected sales from current customers were used, which were estimated using annual expected growth rates of 2.0% to 12.1%.

The Company assumed a customer retention rate of approximately 95.0%, which was supported by historical retention rates. Income taxes were estimated at 38% and amounts were discounted using a rate of 9.5%. The customer relationships were valued at \$66.0 under this approach and will be amortized over 15 years.

Supplemental Pro Formal Information (Unaudited)

The following reflects the Company's pro forma results had the results of AAG been included for all periods presented.

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net sales:				
Reported Net sales	\$ 1,247.5	\$ 1,128.5	\$ 3,382.3	\$ 3,250.8
AAG adjustment	88.1	157.1	275.9	307.8
Pro forma Net sales	<u>\$ 1,335.6</u>	<u>\$ 1,285.6</u>	<u>\$ 3,658.2</u>	<u>\$ 3,558.6</u>
Net income:				
Reported Net income	\$ 46.6	\$ 78.6	\$ 127.2	\$ 168.5
AAG adjustment ^(A)	4.4	4.9	(7.4)	(3.0)
Pro forma Net income	<u>\$ 51.0</u>	<u>\$ 83.5</u>	<u>\$ 119.8</u>	<u>\$ 165.5</u>

SB/RH HOLDINGS, LLC
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)
(Amounts in millions of dollars or as otherwise specified)

- (A) The AAG adjustment for the three and nine month periods ended June 28, 2015 excludes non-recurring debt extinguishment expense of \$35.7 related to the retirement of the AAG debt in connection with the AAG acquisition, and acquisition related costs incurred by AAG prior to May 21, 2015 of \$25.2. The nine month period ended June 28, 2015 also excludes a non-recurring tradename impairment of \$7.0.

14 SUBSEQUENT EVENTS

ASC 855, “Subsequent Events” (“ASC 855”), establishes general standards of accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC 855 requires the Company to evaluate events that occur after the balance date through the date of the Company’s financial statements are issued, and to determine whether adjustments to or additional disclosures in the financial statements are necessary. The Company has evaluated subsequent events through the date these financial statements were issued.

15 CONSOLIDATING FINANCIAL STATEMENTS

Spectrum Brands Inc. has issued the 6.375% Notes and the 6.625% Notes under and indenture dated November 16, 2012 (the “2020/22 Indenture”), the 6.125% Notes under the 2024 Indenture and the 5.75% Notes under the 2025 Indenture (collectively, the “Indentures”). Spectrum Brands, Inc.’s obligations under the Indentures are fully and unconditionally guaranteed on a joint and several basis by the Parent and Spectrum Brands, Inc.’s existing and future domestic subsidiaries (“Guarantor Subsidiaries”). The Guarantor Subsidiaries are 100% owned either directly or indirectly by Spectrum Brands, Inc. and jointly and severally guarantee Spectrum Brands, Inc.’s obligations under the Indentures. Spectrum Brands, Inc.’s subsidiaries organized outside the U.S. (“Nonguarantor Subsidiaries”) do not guarantee the Indentures. There are no significant restrictions on the ability of Spectrum Brands, Inc. or any Guarantor Subsidiaries to obtain funds from its subsidiaries by dividend or loan or any other matters. See Note 6, “Debt,” for further information on the 6.375% Notes and the 6.625% Notes under the 2020/22 Indenture, the 6.125% Notes under the 2024 Indenture and the 5.75% Notes under the 2025 Indenture.

The following consolidating financial statements illustrate the components of the consolidated financial statements of Spectrum Brands, Inc. A separate column for the Parent’s financial statement information is not presented as the Parent has no independent assets or operations and management has determined that such presentation would not be material. Investments in subsidiaries are accounted for using the equity method for purposes of illustrating the consolidating presentation. Earnings of subsidiaries are therefore reflected in Spectrum Brands, Inc. and Guarantor Subsidiaries investment accounts and earnings. The elimination entries presented herein eliminate investments in subsidiaries and intercompany balances and transactions.

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Financial Position
June 28, 2015
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2.5	\$ 17.0	\$ 87.7	\$ —	\$ 107.2
Receivables:					
Trade accounts receivables, net of allowances	178.6	188.2	253.0	—	619.8
Intercompany receivables	296.9	(50.3)	542.5	(787.4)	1.7
Other	13.7	12.5	75.4	—	101.6
Inventories	442.8	136.7	336.8	(12.6)	903.7
Deferred income taxes	16.9	6.2	9.6	2.2	34.9
Prepaid expenses and other	38.8	6.0	36.7	(0.8)	80.7
Total current assets	990.2	316.3	1,341.7	(798.6)	1,849.6
Property, plant and equipment, net	228.3	62.0	209.8	—	500.1
Long-term intercompany receivables	126.1	336.3	76.1	(538.5)	—
Deferred charges and other	19.5	1.4	17.6	—	38.5
Goodwill	901.5	1,069.6	516.9	—	2,488.0
Intangible assets, net	1,408.2	684.7	435.2	—	2,528.1
Debt issuance costs	69.5	—	—	—	69.5
Investments in subsidiaries	3,650.4	1,878.9	450.9	(5,980.2)	—
Total assets	\$ 7,393.7	\$ 4,349.2	\$ 3,048.2	\$ (7,317.3)	\$ 7,473.8
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current maturities of long-term debt	\$ 65.7	\$ —	\$ 33.8	\$ —	\$ 99.5
Accounts payable	193.0	64.9	195.7	—	453.6
Intercompany accounts payable	416.4	246.9	66.0	(729.3)	—
Accrued liabilities:					
Wages and benefits	30.0	10.2	40.5	—	80.7
Income taxes payable	(0.7)	(2.6)	18.8	—	15.5
Accrued interest	17.2	—	0.2	—	17.4
Other	69.5	32.7	84.1	—	186.3
Total current liabilities	791.1	352.1	439.1	(729.3)	853.0
Long-term debt, net of current maturities	4,270.5	—	23.8	—	4,294.3
Long-term intercompany debt	14.8	51.5	531.4	(597.7)	—
Employee benefit obligations, net of current portion	12.2	0.7	61.6	—	74.5
Deferred income taxes	210.2	285.9	103.0	—	599.1
Other	8.1	8.8	10.5	—	27.4
Total liabilities	5,306.9	699.0	1,169.4	(1,327.0)	5,848.3
Shareholders' equity:					
Other equity	2,428.6	1,615.2	823.7	(2,900.2)	1,967.3
Retained earnings (accumulated deficit)	(254.0)	2,102.7	1,118.7	(3,221.4)	(254.0)
Accumulated other comprehensive income (loss)	(137.5)	(123.4)	(119.3)	242.7	(137.5)
Total shareholders' equity	2,037.1	3,594.5	1,823.1	(5,878.9)	1,575.8
Non-controlling interest	49.7	55.7	55.7	(111.4)	49.7
Total equity	2,086.8	3,650.2	1,878.8	(5,990.3)	1,625.5
Total liabilities and shareholders' equity	\$ 7,393.7	\$ 4,349.2	\$ 3,048.2	\$ (7,317.3)	\$ 7,473.8

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Financial Position
September 30, 2014
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4.8	\$ 11.2	\$ 176.9	\$ —	\$ 192.9
Receivables:					
Trade accounts receivables, net of allowances	48.3	157.6	233.1	—	439.0
Intercompany receivables	106.9	937.3	587.0	(1,631.2)	—
Other	2.3	8.3	65.8	—	76.4
Inventories	77.7	313.0	240.4	(6.6)	624.5
Deferred income taxes	(10.1)	34.3	11.1	1.4	36.7
Prepaid expenses and other	19.2	14.4	29.9	(0.1)	63.4
Total current assets	249.1	1,476.1	1,344.2	(1,636.5)	1,432.9
Property, plant and equipment, net	137.7	115.3	175.9	—	428.9
Long term intercompany receivables	0.7	107.2	41.6	(149.5)	—
Deferred charges and other	126.4	(118.0)	28.9	—	37.3
Goodwill	67.7	1,030.7	371.2	—	1,469.6
Intangible assets, net	494.0	1,151.7	445.8	—	2,091.5
Debt issuance costs	46.6	—	4.5	—	51.1
Investments in subsidiaries	4,076.3	1,279.0	0.4	(5,355.7)	—
Total assets	<u>\$ 5,198.5</u>	<u>\$ 5,042.0</u>	<u>\$ 2,412.5</u>	<u>\$ (7,141.7)</u>	<u>\$ 5,511.3</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current maturities of long-term debt	\$ 75.2	\$ 6.9	\$ 30.5	\$ —	\$ 112.6
Accounts payable	76.0	202.5	241.2	—	519.7
Intercompany accounts payable	1,366.0	830.0	81.2	(2,277.2)	—
Accrued liabilities:					
Wages and benefits	25.6	19.4	43.1	—	88.1
Income taxes payable	1.3	0.2	17.0	—	18.5
Accrued interest	34.9	—	0.5	—	35.4
Other	21.5	52.7	82.1	—	156.3
Total current liabilities	1,600.5	1,111.7	495.6	(2,277.2)	930.6
Long-term debt, net of current maturities	2,539.2	8.9	346.0	—	2,894.1
Long-term intercompany debt	16.4	(617.8)	105.2	496.2	—
Employee benefit obligations, net of current portion	10.2	—	71.8	—	82.0
Deferred income taxes	(52.3)	462.2	103.3	—	513.2
Other	8.7	0.8	11.7	—	21.2
Total liabilities	4,122.7	965.8	1,133.6	(1,781.0)	4,441.1
Shareholders' equity:					
Other equity	1,419.5	3,296.9	1,284.8	(4,587.4)	1,413.8
Retained earnings (accumulated deficit)	(330.0)	775.4	(13.8)	(761.6)	(330.0)
Accumulated other comprehensive income (loss)	(63.1)	(51.0)	(47.0)	98.0	(63.1)
Total shareholders' equity	1,026.4	4,021.3	1,224.0	(5,251.0)	1,020.7
Non-controlling interest	49.4	54.9	54.9	(109.7)	49.5
Total equity	<u>1,075.8</u>	<u>4,076.2</u>	<u>1,278.9</u>	<u>(5,360.7)</u>	<u>1,070.2</u>
Total liabilities and shareholders' equity	<u>\$ 5,198.5</u>	<u>\$ 5,042.0</u>	<u>\$ 2,412.5</u>	<u>\$ (7,141.7)</u>	<u>\$ 5,511.3</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Operations
Three Month Period Ended June 28, 2015
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	\$ 577.7	\$ 324.1	\$ 605.0	\$ (259.3)	\$ 1,247.5
Cost of goods sold	397.5	202.8	445.3	(256.1)	789.5
Restructuring and related charges	—	—	—	—	—
Gross profit	180.2	121.3	159.7	(3.2)	458.0
Operating expenses:					
Selling	69.8	32.1	83.2	(0.3)	184.8
General and administrative	54.2	15.4	18.6	—	88.2
Research and development	8.3	1.0	3.6	—	12.9
Acquisition and integration related charges	21.9	0.4	1.9	—	24.2
Restructuring and related charges	22.7	0.2	(12.4)	—	10.5
Total operating expense	176.9	49.1	94.9	(0.3)	320.6
Operating income (loss)	3.3	72.2	64.8	(2.9)	137.4
Interest expense	99.4	2.7	10.8	—	112.9
Other (income) expense, net	(89.6)	(42.7)	1.0	133.0	1.7
Income from operations before income taxes	(6.5)	112.2	53.0	(135.9)	22.8
Income tax expense (benefit)	(53.1)	22.2	7.1	—	(23.8)
Net income (loss)	46.6	90.0	45.9	(135.9)	46.6
Less: Net income (loss) attributable to non- controlling interest	—	0.1	0.1	(0.2)	—
Net income (loss) attributable to controlling interest	\$ 46.6	\$ 89.9	\$ 45.8	\$ (135.7)	\$ 46.6

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Comprehensive Income
Three Month Period Ended June 28, 2015
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	\$ 46.6	\$ 90.0	\$ 45.9	\$ (135.9)	\$ 46.6
Other comprehensive income (loss), net of tax:					
Foreign currency translation gain (loss)	9.5	9.5	9.5	(19.0)	9.5
Unrealized gain (loss) on derivative instruments	(12.0)	(11.5)	(11.5)	23.0	(12.0)
Defined benefit pension gain (loss)	(0.6)	(0.6)	(0.6)	1.2	(0.6)
Other comprehensive income (loss)	(3.1)	(2.6)	(2.6)	5.2	(3.1)
Comprehensive income	43.5	87.4	43.3	(130.7)	43.5
Less: Comprehensive income (loss) attributable to non-controlling interest	—	—	—	—	—
Comprehensive income (loss) attributable to controlling interest	<u>\$ 43.5</u>	<u>\$ 87.4</u>	<u>\$ 43.3</u>	<u>\$ (130.7)</u>	<u>\$ 43.5</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Operations
Three Month Period Ended June 29, 2014
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	\$ 139.2	\$ 609.0	\$ 564.9	\$ (184.6)	\$ 1,128.5
Cost of goods sold	99.3	394.9	401.2	(184.5)	710.9
Restructuring and related charges	—	0.3	0.3	—	0.6
Gross profit	39.9	213.8	163.4	(0.1)	417.0
Operating expenses:					
Selling	17.9	71.4	82.7	(0.2)	171.8
General and administrative	10.6	45.3	22.1	—	78.0
Research and development	6.0	2.8	3.4	—	12.2
Acquisition and integration related charges	1.0	3.2	(1.5)	—	2.7
Restructuring and related charges	1.1	0.4	1.6	—	3.1
Total operating expense	36.6	123.1	108.3	(0.2)	267.8
Operating income	3.3	90.7	55.1	0.1	149.2
Interest expense	39.2	—	8.1	—	47.3
Other (income) expense, net	(62.4)	(35.7)	1.8	99.1	2.8
Income (loss) from operations before income taxes	26.5	126.4	45.2	(99.0)	99.1
Income tax expense (benefit)	(52.1)	64.1	8.3	0.2	20.5
Net income (loss)	78.6	62.3	36.9	(99.2)	78.6
Less: Net income (loss) attributable to non-controlling interest	—	—	—	—	—
Net income (loss) attributable to controlling interest	\$ 78.6	\$ 62.3	\$ 36.9	\$ (99.2)	\$ 78.6

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Comprehensive Income
Three Month Period Ended June 29, 2014
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	\$ 78.6	\$ 62.3	\$ 36.9	\$ (99.2)	\$ 78.6
Other comprehensive income (loss), net of tax:					
Foreign currency translation gain (loss)	8.4	8.4	8.4	(16.8)	8.4
Unrealized gain (loss) on derivative instruments	(1.4)	(0.5)	(0.8)	1.3	(1.4)
Defined benefit pension gain (loss)	0.4	0.4	0.4	(0.8)	0.4
Other comprehensive income (loss)	7.4	8.3	8.0	(16.3)	7.4
Comprehensive income (loss)	86.0	70.6	44.9	(115.5)	86.0
Less: Comprehensive income (loss) attributable to non-controlling interest	—	—	—	—	—
Comprehensive income (loss) attributable to controlling interest	<u>\$ 86.0</u>	<u>\$ 70.6</u>	<u>\$ 44.9</u>	<u>\$ (115.5)</u>	<u>\$ 86.0</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Operations
Nine Month Period Ended June 28, 2015
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	\$ 1,672.6	\$ 529.7	\$ 1,875.5	\$ (695.5)	\$ 3,382.3
Cost of goods sold	1,163.9	328.9	1,375.2	(689.0)	2,179.0
Restructuring and related charges	—	—	0.4	—	0.4
Gross profit	508.7	200.8	499.9	(6.5)	1,202.9
Operating expenses:					
Selling	206.3	63.8	248.2	(0.6)	517.7
General and administrative	156.0	30.8	51.3	—	238.1
Research and development	24.3	2.0	10.6	—	36.9
Acquisition and integration related charges	33.9	3.0	7.3	—	44.2
Restructuring and related charges	30.7	0.3	(9.1)	—	21.9
Total operating expense	451.2	99.9	308.3	(0.6)	858.8
Operating income (loss)	57.5	100.9	191.6	(5.9)	344.1
Interest expense	180.8	1.1	24.6	—	206.5
Other (income) expense, net	(175.6)	(114.0)	4.0	291.2	5.6
Income from operations before income taxes	52.3	213.8	163.0	(297.1)	132.0
Income tax expense (benefit)	(74.9)	44.3	36.2	(0.8)	4.8
Net income (loss)	127.2	169.5	126.8	(296.3)	127.2
Less: Net income (loss) attributable to non- controlling interest	0.2	0.2	0.2	(0.4)	0.2
Net income (loss) attributable to controlling interest	\$ 127.0	\$ 169.3	\$ 126.6	\$ (295.9)	\$ 127.0

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Comprehensive Income
Nine Month Period Ended June 28, 2015
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	\$ 127.2	\$ 169.5	\$ 126.8	\$ (296.3)	\$ 127.2
Other comprehensive income (loss), net of tax:					
Foreign currency translation gain (loss)	(68.6)	(69.2)	(69.2)	138.4	(68.6)
Unrealized gain (loss) on derivative instruments	(8.6)	(5.8)	(5.8)	11.6	(8.6)
Defined benefit pension gain (loss)	2.8	2.8	2.8	(5.6)	2.8
Other comprehensive income (loss)	(74.4)	(72.2)	(72.2)	144.4	(74.4)
Comprehensive income	52.8	97.3	54.6	(151.9)	52.8
Less: Comprehensive income (loss) attributable to non-controlling interest	0.2	0.2	0.2	(0.4)	0.2
Comprehensive income (loss) attributable to controlling interest	\$ 52.6	\$ 97.1	\$ 54.4	\$ (151.5)	\$ 52.6

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Operations
Nine Month Period Ended June 29, 2014
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	\$ 455.0	\$ 1,560.0	\$ 1,827.0	\$ (591.2)	\$ 3,250.8
Cost of goods sold	324.4	1,044.5	1,310.5	(589.8)	2,089.6
Restructuring and related charges	—	2.5	0.8	—	3.3
Gross profit	130.6	513.0	515.7	(1.4)	1,157.9
Operating expenses:					
Selling	55.9	197.3	249.1	(0.5)	501.8
General and administrative	34.9	123.4	67.0	—	225.3
Research and development	16.1	9.2	9.9	—	35.2
Acquisition and integration related charges	7.4	7.1	—	—	14.5
Restructuring and related charges	6.9	2.8	3.0	—	12.7
Total operating expense	121.2	339.8	329.0	(0.5)	789.5
Operating income	9.4	173.2	186.7	(0.9)	368.4
Interest expense	131.0	0.2	20.5	—	151.7
Other (income) expense, net	(152.4)	(128.8)	2.5	283.1	4.4
Income (loss) from operations before income taxes	30.8	301.8	163.7	(284.0)	212.3
Income tax expense (benefit)	(137.6)	148.0	33.4	—	43.8
Net income (loss)	168.4	153.8	130.3	(284.0)	168.5
Less: Net income (loss) attributable to non-controlling interest	0.2	0.2	0.2	(0.4)	0.2
Net income (loss) attributable to controlling interest	\$ 168.2	\$ 153.6	\$ 130.1	\$ (283.6)	\$ 168.3

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Comprehensive Income
Nine Month Period Ended June 29, 2014
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	\$ 168.4	\$ 153.8	\$ 130.3	\$ (284.0)	\$ 168.5
Other comprehensive income (loss), net of tax:					
Foreign currency translation gain (loss)	5.6	5.6	6.0	(11.6)	5.6
Unrealized gain (loss) on derivative instruments	(1.6)	(0.9)	(0.8)	1.7	(1.6)
Defined benefit pension gain (loss)	0.5	0.5	0.5	(1.0)	0.5
Other comprehensive income (loss)	4.5	5.2	5.7	(10.9)	4.5
Comprehensive income (loss)	172.9	159.0	136.0	(294.9)	173.0
Less: Comprehensive income (loss) attributable to non-controlling interest	0.4	0.1	0.1	(0.2)	0.4
Comprehensive income (loss) attributable to controlling interest	<u>\$ 172.5</u>	<u>\$ 158.9</u>	<u>\$ 135.9</u>	<u>\$ (294.7)</u>	<u>\$ 172.6</u>

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Cash Flows
Nine Month Period Ended June 28, 2015
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net cash provided (used) by operating activities	\$ (544.1)	\$ (355.9)	\$ (1,358.3)	\$ 2,094.7	\$ (163.6)
Cash flows from investing activities:					
Purchases of property, plant and equipment	(25.0)	(7.3)	(17.2)	—	(49.5)
Acquisition of Tell Manufacturing, net of cash acquired	(29.2)	—	—	—	(29.2)
Acquisition of European IAMS and Eukanuba, net of cash acquired	—	—	(115.7)	—	(115.7)
Acquisition of Salix Animal Health, net of cash acquired	(147.8)	—	—	—	(147.8)
Acquisition of Armored AutoGroup, net of cash acquired	(900.5)	—	—	—	(900.5)
Proceeds from sales of property, plant and equipment	0.1	—	1.2	—	1.3
Other investing activities	—	—	(0.9)	—	(0.9)
Net cash used by investing activities	(1,102.4)	(7.3)	(132.6)	—	(1,242.3)
Cash flows from financing activities:					
Proceeds from issuance of Term Loan, net of discount	1,444.9	—	—	—	1,444.9
Proceeds from issuance of 6.125% Notes	250.0	—	—	—	250.0
Proceeds from issuance of 5.75% Notes	1,000.0	—	—	—	1,000.0
Proceeds from Euro Term Loan	340.2	—	—	—	340.2
Proceeds from CAD Term Loan	60.9	—	—	—	60.9
Payment of debt instruments, excluding ABL revolving credit facility	(1,989.8)	—	(292.1)	—	(2,281.9)
Debt issuance costs	(37.3)	—	—	—	(37.3)
Other debt financing, net	33.5	—	—	—	33.5
Revolving credit facility, net	47.5	—	—	—	47.5
Cash dividends paid to parent	(51.0)	—	—	—	(51.0)
Share based tax withholding payments, net of proceeds upon vesting	(1.9)	—	—	—	(1.9)
Capital contribution from Parent	528.3	—	—	—	528.3
Proceeds from (advances related to) intercompany transactions	18.9	369.0	1,706.8	(2,094.7)	—
Net cash provided (used) by financing activities	1,644.2	369.0	1,414.7	(2,094.7)	1,333.2
Effect of exchange rate changes on cash and cash equivalents	—	—	(13.0)	—	(13.0)
Net increase (decrease) in cash and cash equivalents	(2.3)	5.8	(89.2)	—	(85.7)
Cash and cash equivalents, beginning of period	4.8	11.2	176.9	—	192.9
Cash and cash equivalents, end of period	\$ 2.5	\$ 17.0	\$ 87.7	\$ —	\$ 107.2

SB/RH HOLDINGS, LLC AND SUBSIDIARIES
Condensed Consolidating Statement of Cash Flows
Nine Month Period Ended June 29, 2014
(Unaudited)
(Amounts in millions)

	Spectrum Brands Inc. without consolidated entities	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net cash provided (used) by operating activities	\$ 317.1	\$ (300.9)	\$ (61.4)	\$ (4.0)	\$ (49.2)
Cash flows from investing activities:					
Purchases of property, plant and equipment	(17.0)	(18.6)	(15.3)	—	(50.9)
Acquisition of Liquid Fence	—	(25.3)	—	—	(25.3)
Proceeds from sales of property, plant and equipment	—	0.1	9.0	—	9.1
Other investing activities	—	(0.2)	—	—	(0.2)
Net cash used by investing activities	(17.0)	(44.0)	(6.3)	—	(67.3)
Cash flows from financing activities:					
Proceeds from issuance of Term Loan	214.9	—	308.8	—	523.7
Payment of senior credit facilities, excluding ABL revolving credit facility	(567.5)	—	—	—	(567.5)
Debt issuance costs	(0.5)	—	(5.0)	—	(5.5)
Other debt financing, net	—	—	9.5	—	9.5
ABL revolving credit facility, net	110.0	—	—	—	110.0
Cash dividends paid to parent	(42.0)	—	—	—	(42.0)
Share based tax withholding payments, net of proceeds upon vesting	(17.7)	(6.4)	(2.4)	—	(26.5)
Proceeds from (advances related to) intercompany transactions	1.2	347.6	(352.8)	4.0	—
Net cash provided (used) by financing activities	(301.6)	341.2	(41.9)	4.0	1.7
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents	(1.5)	(3.7)	(109.6)	—	(114.8)
Cash and cash equivalents, beginning of period	3.8	5.4	189.0	—	198.2
Cash and cash equivalents, end of period	\$ 2.3	\$ 1.7	\$ 79.4	\$ —	\$ 83.4

Report of Independent Auditors

The Board of Directors of Armored AutoGroup Parent, Inc.

We have audited the accompanying consolidated financial statements of Armored AutoGroup Parent, Inc. which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive loss, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2014 and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Armored AutoGroup Parent, Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014.

/s/ Ernst & Young LLP

Stamford, Connecticut
April 17, 2015

Armored AutoGroup Parent, Inc.

CONSOLIDATED BALANCE SHEETS

(In thousands except share and per share amounts)

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 47,948	\$ 26,036
Restricted cash	3,676	—
Accounts receivable, net	69,845	60,324
Inventories	63,305	34,043
Other current assets	<u>13,459</u>	<u>11,676</u>
Total current assets	198,233	132,079
Property, plant and equipment, net	31,008	28,936
Goodwill	523,363	358,826
Intangible assets, net	481,689	313,470
Deferred financing costs and other assets, net	<u>2,257</u>	<u>3,719</u>
Total assets	<u>\$ 1,236,550</u>	<u>\$ 837,030</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 16,279	\$ 6,989
Accrued expenses and other current liabilities	46,023	24,684
Current portion of long-term debt, less discount	<u>3,000</u>	<u>3,000</u>
Total current liabilities	65,302	34,673
Long-term debt, net of premium, discount and current portion	811,323	550,582
Other liabilities	4,161	2,500
Deferred income taxes	<u>140,726</u>	<u>89,610</u>
Total liabilities	1,021,512	677,365
Commitments and contingencies (Note 11)		
Shareholders' Equity:		
Series A Preferred Stock (\$0.01 par value, 150,000 shares authorized, 67,312 and no shares issued and outstanding at December 31, 2014 and 2013, respectively)	1	—
Common stock (\$0.01 par value, 400,000,000 and 365,000,000 shares authorized, 288,384,891 and 265,745,000 shares issued and outstanding at December 31, 2014 and 2013, respectively)	2,884	2,658
Additional paid-in capital	352,693	263,927
Accumulated deficit	(123,440)	(98,971)
Accumulated other comprehensive loss	<u>(17,100)</u>	<u>(7,949)</u>
Total shareholders' equity	<u>215,038</u>	<u>159,665</u>
Total liabilities and shareholders' equity	<u>\$ 1,236,550</u>	<u>\$ 837,030</u>

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

Armored AutoGroup Parent, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Net sales	\$ 409,979	\$ 289,956	\$ 306,468
Cost of products sold	219,177	158,049	167,570
Cost of products sold—acquisition related	6,806	—	—
Gross profit	183,996	131,907	138,898
Operating expenses:			
Selling, general and administrative expenses	60,931	40,712	48,306
Advertising costs	28,807	27,787	31,072
Research and development costs	2,905	2,474	2,211
Depreciation and amortization	47,105	36,788	36,701
Intangible asset and goodwill impairment	7,000	—	24,117
Total operating expenses	<u>146,748</u>	<u>107,761</u>	<u>142,407</u>
Operating profit (loss)	37,248	24,146	(3,509)
Non-operating expenses:			
Interest expense	71,533	48,024	48,887
Other expense, net	1,260	285	443
Loss before income taxes	(35,545)	(24,163)	(52,839)
Benefit for income taxes	11,076	10,775	7,040
Net loss	<u>\$ (24,469)</u>	<u>\$ (13,388)</u>	<u>\$ (45,799)</u>
Other comprehensive (loss) income:			
Foreign currency translation (loss) gain	(9,151)	(9,389)	3,807
Comprehensive loss	<u>\$ (33,620)</u>	<u>\$ (22,777)</u>	<u>\$ (41,992)</u>

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

Armored AutoGroup Parent, Inc.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)

	<u>Common Stock</u>	<u>Series A Preferred Stock</u>			<u>Additional Paid-in Capital</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Accumulated Deficit</u>	<u>Total Shareholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
Balance at December 31, 2011	265,795	\$ 2,658	—	\$ —	\$ 263,421	\$ (2,367)	\$ (39,784)	\$ 223,928
Share based compensation	—	—	—	—	266	—	—	266
Translation adjustment	—	—	—	—	—	3,807	—	3,807
Net loss	—	—	—	—	—	—	(45,799)	(45,799)
Balance at December 31, 2012	265,795	2,658	—	—	263,687	1,440	(85,583)	182,202
Share based compensation	—	—	—	—	290	—	—	290
Repurchase of common stock	(50)	—	—	—	(50)	—	—	(50)
Translation adjustments	—	—	—	—	—	(9,389)	—	(9,389)
Net loss	—	—	—	—	—	—	(13,388)	(13,388)
Balance at December 31, 2013	265,745	2,658	—	—	263,927	(7,949)	(98,971)	159,665
Issuance of common stock—IDQ Acquisition	23,108	231	—	—	22,482	—	—	22,713
Sale of preferred stock	—	—	62	1	61,999	—	—	62,000
Issuance of preferred stock—IDQ acquisition	—	—	5	—	5,693	—	—	5,693
Share based compensation	—	—	—	—	(840)	—	—	(840)
Repurchase of common stock	(468)	(5)	—	—	(480)	—	—	(485)
Repurchase of preferred stock	—	—	—	—	(88)	—	—	(88)
Translation adjustments	—	—	—	—	—	(9,151)	—	(9,151)
Net loss	—	—	—	—	—	—	(24,469)	(24,469)
Balance at December 31, 2014	<u>288,385</u>	<u>\$ 2,884</u>	<u>67</u>	<u>\$ 1</u>	<u>\$ 352,693</u>	<u>\$ (17,100)</u>	<u>\$ (123,440)</u>	<u>\$ 215,038</u>

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

Armored AutoGroup Parent, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Cash flows from operating activities:			
Net loss	\$ (24,469)	\$ (13,388)	\$ (45,799)
Adjustments:			
Depreciation and amortization	57,992	47,846	46,813
Intangible asset and goodwill impairment	7,000	—	24,117
Share based compensation	(840)	290	266
Deferred income taxes	(20,583)	(15,210)	(10,612)
Restructuring and other charges	1,243	63	157
Cash effects of changes, net of acquisition effects in:			
Accounts receivable	11,521	8,955	(15,302)
Inventories	(1,609)	9,276	(5,194)
Due (to)/from Clorox	—	(46)	11,864
Other current assets	3,410	781	(753)
Accounts payable and accrued liabilities	(13,240)	(10,622)	10,509
Income taxes	7	1,641	(4,436)
Other	155	(1,338)	(1,384)
Net cash provided by operating activities	<u>20,587</u>	<u>28,248</u>	<u>10,246</u>
Cash flows from investing activities:			
Acquisition of IDQ Acquisition Corp, net of cash acquired	(40,234)	—	—
Capital expenditures	(5,692)	(4,305)	(7,698)
Other acquisitions, net	(1,797)	(3,084)	—
Net cash used in investing activities	<u>(47,723)</u>	<u>(7,389)</u>	<u>(7,698)</u>
Cash flows from financing activities:			
Borrowings under revolver	17,000	23,000	64,001
Payments on revolver	(17,000)	(23,000)	(64,001)
Principal payments on notes payable	(12,000)	(3,611)	(3,000)
Proceeds from issuance of preferred stock	62,000	—	—
Repurchase of preferred stock	(88)	—	—
Repurchase of common stock	(485)	(50)	—
Deferred financing costs	—	—	(350)
Net cash provided by (used in) financing activities	<u>49,427</u>	<u>(3,661)</u>	<u>(3,350)</u>
Effect of exchange rate changes on cash	(379)	(170)	75
Net increase (decrease) in cash	21,912	17,028	(727)
Cash and cash equivalents, at beginning of period	26,036	9,008	9,735
Cash and cash equivalents, at end of period	<u>\$ 47,948</u>	<u>\$ 26,036</u>	<u>\$ 9,008</u>
Supplemental cash flow disclosures:			
Cash paid for interest	<u>\$ 71,101</u>	<u>\$ 43,878</u>	<u>\$ 45,314</u>
Cash paid for income taxes	<u>\$ 6,996</u>	<u>\$ 4,099</u>	<u>\$ 8,207</u>

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

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 1—The Company and Summary of Significant Accounting Policies

The Company

Armored AutoGroup Parent, Inc. (“Armored AutoGroup”, “AAG” or “the Company”) is a consumer products company consisting of industry leading and highly recognizable brands in the automotive aftermarket appearance products: Armor All®; performance chemicals categories, STP®; and, newly acquired products in the do-it-yourself (DIY) air conditioner recharge and retrofit kits and related products: A/C PRO, Arctic Freeze®, Sub Zero®, and Super Seal® Stop Leak.

On March 17, 2014, the Company and its wholly owned subsidiaries, Armored AutoGroup, Inc. and AAG IDQ Acquisition Corporation, acquired a 100% equity interest in IDQ Acquisition Corp. (“IDQ” or “IDQ Acq. Corp.”). IDQ is a leading manufacturer of do-it-yourself air conditioner recharge and retrofit kits and related products for the automotive aftermarket. For the year ended December 31, 2014 net sales for IDQ were approximately \$145 million. As of December 31, 2014, total assets attributable to the IDQ operations were approximately \$446 million.

Armored AutoGroup delivers its products to distributors, resellers and end users (collectively the customers) through its direct operations in the United States, Canada, Mexico, Australia, China and the United Kingdom and distributor relationships in approximately 50 countries. The Armor All and STP brands offer multiple automotive appearance and performance chemicals that can be found in most of the major developed countries around the world. IDQ products are sold in over 25,000 retail stores principally in the United States under the brands A/C PRO, Arctic Freeze®, Sub Zero®, and Super Seal® Stop Leak.

In September 2010, Viking Acquisition Inc., an entity owned by affiliates of Avista Capital Holdings, L.P. (“Avista”), entered into an agreement to acquire the AutoCare Products Business, Armor All, STP and certain other brands from Clorox pursuant to the terms of a Purchase and Sale Agreement dated September 21, 2010 (the “Acquisition”). The Acquisition closed on November 5, 2010 and included employees in the United States and other countries dedicated to the Company, related product patent and developed technology and certain other assets, including the manufacturing facilities located in Painesville, Ohio and Wales, U.K. Viking Acquisition Inc. was subsequently renamed as Armored AutoGroup Inc. (“AAG Inc.”). The Company indirectly owns 91.3% of AAG Inc.’s issued and outstanding capital stock through its direct subsidiary and AAG Inc.’s direct parent, Armored AutoGroup Intermediate Inc. (“Intermediate”). The Company granted a 7.1% stake in the common equity of the Company to Kinderhook Industries on March 17, 2014, as a component of the consideration for the sale of its ownership interest in IDQ to the Company. In addition, members of IDQ’s management acquired an additional 1.6% common equity interest as a component of the consideration for the sale of their ownership interest in IDQ.

References to “Armored AutoGroup” or the “Company” herein, refer collectively to Armored AutoGroup Parent, Inc., as well as all of its consolidated subsidiaries, unless otherwise specified.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The Company’s fiscal year end is December 31. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Armored AutoGroup Parent, Inc.
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The Company's appearance and air conditioner products sales are seasonal and can be impacted by weather. Sales are typically higher in the first half of the calendar year as the Company's customers purchase inventory for the spring and summer seasons when weather is warmer than in the northern hemisphere in the fall and winter months. This pattern is largely reflective of our customers' seasonal purchasing patterns, as well as the timing of our promotional activities. Weather can also influence consumer behavior, especially for appearance and air conditioner products. Both product lines sell best during warm and dry weather, and less if weather is cold and wet. For these reasons, among others, the Company's results for any quarter are not necessarily indicative of future quarterly results and, accordingly, period-to-period comparisons should not be relied upon as an indication of future performance. The Company builds moderate levels of working capital and inventory in advance of and during the peak selling season. Working capital is also impacted by increases in accounts receivable, which increase significantly during the peak selling period and are typically lowest in the fourth quarter of the year.

Use of Estimates

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Specific areas, among others, requiring the application of management's estimates and judgment include assumptions pertaining to allowances for excess and obsolete inventory, provisions for cash discounts on amounts due from customers, fair values assigned to assets acquired and liabilities assumed in connection with acquisitions (See Note 7), accruals for consumer and trade promotion programs, future product volume and pricing estimates, future cash flows utilized in impairment testing of goodwill and other long lived assets, creditworthiness of customers and potential income tax. Actual results could differ materially from the estimates and assumptions made.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. As of December 31, 2014 and December 31, 2013, cash and cash equivalents amounted to \$47.9 million, and \$26.0 million, respectively, which included a money market account with an initial term of less than three months.

Restricted Cash

Restricted cash as of December 31, 2014 amounted to \$3.7 million and relates to amounts held in escrow pursuant to a license and settlement agreement, and funds deposited in an interest reserve account in accordance with the terms of the \$45 million senior secured notes (See Note 9).

Pursuant to a "License and Settlement Agreement" dated April 16, 2008, IDQ was obligated to fund in the form of a cash payment a royalty fee based on the sale of certain products which the Licensor claimed utilized its enforceable patent. During 2011, IDQ received notification that the U.S. Court upheld the patent in dispute and as a result, after the Licensor complies with certain requirements of the License and Settlement Agreement, IDQ will distribute the escrowed funds.

On July 26, 2013, the patent expired which terminated the License and Settlement Agreement, releasing IDQ from its obligation to make royalty payments as of that date. As of December 31, 2014, the escrowed funds amounted to \$0.5 million. Pursuant to the indenture governing the \$45 million senior secured notes, the Company reserved the cash interest which was paid to those note holders on April 1, 2015. During September 2014, those funds totaling \$3.2 million were deposited into an interest reserve account maintained with the collateral agent and are included within restricted cash at December 31, 2014.

Armored AutoGroup Parent, Inc.
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Foreign Currency Translation

Local currencies are the functional currencies for substantially all of the Company's foreign operations, with the exception of the Company's United Kingdom ("U.K.") operation, whose functional currency was the U.S. dollar, during 2014 and prior. Subsequently, in early 2015 the Company's U.K. entity switched their functional currency from the U.S. dollar to the British Pound sterling. An entity's functional currency is the currency of the primary economic environment in which the entity operates. Management determined in early 2015 that due to a change in the manner in which the U. K. entity operates, that a switch in the functional currency to the British Pound sterling from the U. S. dollar was necessary.

When the transactional currency is different than the functional currency, transaction gains and losses are included as a component of other expense, net in the consolidated statement of comprehensive loss. Assets and liabilities of foreign operations are translated into U.S. dollars using the exchange rates in effect at the respective balance sheet reporting date. Income and expenses are translated at the average exchange rate during the period. Gains and losses on foreign currency translations are reported as a component of accumulated other comprehensive loss. Deferred taxes are not provided on cumulative translation adjustments as the Company expects earnings of its foreign subsidiary to be indefinitely reinvested.

Accounts Receivable, net

The Company records accounts receivable at net realizable value. This value includes allowances for discounts and estimated uncollectible accounts to reflect losses anticipated on accounts receivable balances. The allowance for uncollectible accounts is based on historical write-offs, an analysis of past due accounts based on the contractual terms of the receivables, and the economic status of customers, if known. The Company believes that the allowance is sufficient to cover uncollectible amounts; however, there can be no assurance that unanticipated future business conditions of customers will not have a negative impact on its results of operations. Accounts receivable are written off against the allowance for estimated uncollectible accounts should we conclude their collection is improbable.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of accounts receivable. Concentrations of credit risk with respect to accounts receivable, which are typically unsecured, are limited to an extent due to the large number of entities comprising the Company's customer base and their dispersion across many geographical regions. The Company performs ongoing credit evaluations of the financial condition of its customers and requires credit enhancements, such as letters of credit and bank guarantees, in certain circumstances.

The Company does, however, sell a significant portion of its products through third party distributors, resellers and significant retail customers (See Note 3) and, as a result, maintains at times significant receivables balances with these parties. If the financial condition of these distributors, resellers or significant retail customers should deteriorate substantially, the Company's results of operations, financial position and cash flows could be adversely affected.

Cash at times may exceed FDIC insurable limits.

Inventories

Inventories are stated at the lower of cost or market under a first-in, first-out ("FIFO") basis, except for the Company's U. K. operation's inventories which represent approximately 7% of total net inventory and are stated

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at average cost. When necessary, the Company provides allowances to adjust the carrying value of its inventory to the lower of cost or market, including any costs to sell or dispose. Consideration is given to obsolescence, excessive inventory levels, product deterioration and other factors in evaluating net realizable value for the purposes of determining the lower of cost or market.

Property, Plant and Equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization expenses are calculated by the straight-line method using the estimated useful lives of the related assets. Routine repairs and maintenance are expensed when incurred. Leasehold improvements are depreciated over a period no longer than the lease term. Internal and external costs incurred in developing or obtaining computer software for internal use are capitalized in property, plant and equipment and are amortized on a straight-line basis, over the estimated useful life of the software. General and administrative costs related to developing or obtaining such software are expensed as incurred.

The following table provides estimated useful lives generally assigned to property, plant and equipment by asset classification:

<u>Classification</u>	<u>Expected Useful Lives</u>
Land improvements	10 - 30 years
Buildings	7 - 40 years
Machinery and equipment	2 - 15 years
Computer software	3 - 7 years
Furniture, fixtures, and office equipment	5 - 7 years
Vehicles	3 - 7 years
Molds and dies	3 years
Leasehold improvements	Shorter of asset life or remaining lease term

Property, plant and equipment are reviewed for possible impairment whenever events or changes in circumstances occur that indicate that the carrying amount of an asset (or asset group) may not be recoverable. The Company's impairment review requires significant management judgment including estimating the future success of product lines, future sales volumes, revenue and expense growth rates, alternative uses for the assets and estimated proceeds from the disposal of the assets. The Company conducts reviews of idle and underutilized equipment when events or circumstances arise indicating that future cash flows are insufficient to recover the book value of asset groups, and reviews business plans for possible impairment indicators. Impairment occurs when the carrying amount of the asset (or asset group) exceeds its estimated future undiscounted cash flows. When impairment is indicated, an impairment charge is recorded for the difference between the asset's (or asset group's) book value and its estimated fair value. Depending on the asset, estimated fair value may be determined either by use of a discounted cash flow ("DCF") model or by reference to estimated selling values of assets in similar condition. The use of different assumptions would increase or decrease the estimated fair value of assets and would increase or decrease any impairment measurement. There have been no instances of impairment identified.

Acquisitions

The Company accounts for acquired businesses using the purchase method of accounting. Under the purchase method, the Company's consolidated financial statements include the operations of an acquired

Armored AutoGroup Parent, Inc.
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business from the date of acquisition. In addition, the assets acquired and liabilities assumed are recorded at the date of acquisition at their respective estimated fair values, with any excess of the purchase price over the estimated fair values of the net assets acquired recorded as goodwill.

Determining the fair value of certain assets and liabilities acquired is judgmental in nature and often involves the use of significant estimates and assumptions. The Company typically uses an income method to estimate the fair value of intangible assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants and include the amount and timing of future cash flows, the underlying product life cycles, the economic barriers to entry and the discount rate applied to the cash flows. Actual results may differ from our estimates.

Finite Lived Intangible Assets

Amortization of intangible assets with finite lives (patents, customer relationships and licensing arrangements) is recognized over estimated useful lives ranging from 5 to 16 years, which the Company believes reasonably represents the time period in which the economic benefits of the intangible assets are consumed or otherwise realized. The Company has experienced a negligible attrition rate in its customer base, and is not able to identify a reliable pattern of attrition and, as such, is utilizing the straight-line amortization method to amortize customer relationship intangible assets. Finite lived intangible assets are reviewed for possible impairment whenever events or changes in circumstances occur that indicate that the carrying amount of an asset may not be recoverable. There have been no instances of impairment identified.

Indefinite Lived Intangible Assets

The Company tests its trademarks and brand names with indefinite lives for impairment annually as of the first day of the fourth quarter, unless there are indications during an interim period that these assets are more likely than not to have become impaired. For trademarks and brand names with indefinite lives, impairment occurs when the carrying amount of an asset is greater than its estimated fair value. An impairment charge is recorded for the difference between the carrying amount and the fair value. The Company uses an income approach, the relief-from-royalty method, to estimate the fair value of its trademarks and trade names with indefinite lives. This method assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the comparable asset. The determination of the fair values of trademarks and brand name assets with indefinite lives requires significant judgments in determining both the assets' estimated cash flows as well as the appropriate discount and royalty rates applied to those cash flows to determine fair value. Changes in such estimates or the application of alternative assumptions could produce different results.

Goodwill

The Company tests its goodwill for impairment annually as of the first day of the fourth quarter unless there are indications during an interim period that these assets are more likely than not to have become impaired. The Company has four geographical reporting units under AAG Inc. entity and one reporting unit under the IDQ entity. The first step of the goodwill impairment test is to compare the fair value of each reporting unit to its carrying amount to determine if there is potential impairment. If the fair value of the reporting unit is less than its carrying value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss.

The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that

Armored AutoGroup Parent, Inc.
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excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination at the date of the evaluation and the fair value was the purchase price paid to acquire the reporting unit.

The Company estimates the fair value of reporting units using a weighting of fair values derived from an income approach and a market approach. Determining the fair value of a reporting unit under the first step of the goodwill impairment test and determining the fair value of individual assets and liabilities of a reporting unit (including unrecognized intangible assets) under the second step of the goodwill impairment test is inherently subjective in nature and often involves the use of significant estimates and assumptions based on known facts and circumstances at the time the Company performs the valuation. The use of different assumptions, inputs and judgments or changes in circumstances could materially affect the results of the valuation and could have a significant impact on whether or not an impairment charge is recognized and the magnitude of any such charge.

Income approach—To determine fair value, the Company uses a DCF approach for each of the reporting units. Under this approach, the Company estimates the future cash flows of each reporting unit and discounts these cash flows at a rate of return that reflects their relative risk. The cash flows used in the DCF are consistent with the Company's long-range forecasts, and give consideration to historic and projected long-term business trends and strategies. The other key estimates and factors used in the DCF include, but are not limited to, discount rates, future sales volumes, revenue and expense growth rates, changes in working capital, capital expenditure forecasts, foreign exchange rates, currency devaluation, inflation, and a perpetuity growth rate.

Market approach—The Company uses the guideline public company method to select reasonably similar/guideline publicly traded companies for each of the Company's reporting units. Using the guideline public company method, the Company calculates earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples for each of the public companies using both historical and forecasted EBITDA figures. By applying these multiples to the appropriate historical and forecasted EBITDA figures for each reporting unit, fair value estimates are calculated.

Revenue Recognition

Sales are recognized when title to the product, ownership and risk of loss transfer to the customer, which can be on the date of shipment or the date of receipt by the customer and when all of the following have occurred: a firm sales arrangement exists, pricing is fixed and determinable, and collection is reasonably assured. Revenue includes shipping and handling costs, which generally are included in the list price to the customer. Taxes collected from customers and remitted to governmental authorities are not included in sales. A provision for payment discounts and product return allowances is recorded as a reduction of sales in the same period that the revenue is recognized.

The Company routinely commits to on-going and one-time trade promotion programs with customers, consisting primarily of customer pricing allowances, merchandising funds and consumer coupons offered through various programs to customers and consumers. Accruals for expected payouts under these programs are included as accrued marketing and promotion in the accrued expenses and other liabilities line item in the consolidated balance sheets and are recorded as a reduction of sales in the consolidated statements of comprehensive loss.

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Amounts received by the Company from the licensing of certain trademarks are recorded as deferred revenue on the Consolidated Balance Sheets and are recognized in net sales on a straight-line basis over the term of the licensing agreement when the underlying royalties are earned.

Cost of Products Sold

Cost of products sold is primarily comprised of direct materials and supplies consumed in the manufacturing of product, as well as manufacturing labor, depreciation expense, direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished product, contract manufacturing costs, and provisions for inventory losses (including losses relating to excess and obsolete inventory). Cost of products sold also includes the cost to distribute products to customers, inbound freight costs, internal transfer costs, warehousing costs and other shipping and handling activity, as well as costs associated with developing and designing new packaging.

Selling, General and Administrative Expenses

Selling, general and administrative expense is primarily comprised of marketing expenses, selling expenses, administrative and other indirect overhead costs, depreciation and amortization expense on non-manufacturing assets and other miscellaneous operating items. Non-advertising related components of the Company's total marketing spending include costs associated with consumer promotions, product sampling and sales aids, all of which are included in selling and administrative expenses.

Advertising Costs

Advertising and sales promotion costs are expensed as incurred. Costs associated with the Company's television, print, radio, internet and in-store campaigns are expensed when the advertising or promotion is published or presented to consumers. Costs associated with the Company's racing sponsorships and promotional events are expensed at the time or during the period of the race or promotional event.

Share Based Compensation

The Company has granted both time based stock option awards and performance based stock option awards that vest subject to a liquidity event (e.g., an initial public offering or change in control, as defined) and based upon the attainment of specified minimum returns on capital to Parent shareholders. These grants are subject to the Stockholders Agreement repurchase right (see Note 13) which provides that in the event an option holder terminates voluntarily, without good reason and not for cause, the Company has the right to repurchase shares acquired through the exercise of an option for the lesser of current FMV or the option exercise price. This provision effectively provides that an option is never vested until the Company decides not to pursue its repurchase right after an exercise and termination. The Company measures share based compensation associated with the time based awards based on their fair values on the dates they were granted. Prior to this fiscal year, the expense was recognized by amortizing the fair value on a straight-line basis over the vesting period. In fiscal year 2014, the Company determined that the repurchase language in the Shareholder Agreement created an indefinite vesting condition such that no compensation expense should be recognized until an actual vesting event occurs. As a result, in the year ended December 31, 2014, approximately \$0.8 million of compensation expense which was previously recognized for these grants was reversed.

Although the Company has estimated the fair value of its performance based stock option awards, given that the performance condition (a liquidity event) is not probable of occurrence, the Company has not recognized any share based compensation expense attendant to these awards (See Note 14).

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Employee Benefits

In November 2010, the Company established a defined contribution plan for the U.S. employees of AAG, Inc., which qualifies as a tax deferred savings plan under Section 401(k) of the Internal Revenue Code (“IRC” or the “Code”). Eligible U.S. employees may contribute a percentage of their pre-tax compensation, subject to certain IRC limitations. The plan provides for employer matching contributions of 100% of participant income deferrals to a maximum of \$1,000 and employer contributions up to 10% of a participant’s annual base salary, subject to limits prescribed under U.S. federal regulations.

IDQ Acq. Corp. has a defined contribution (401(k)) plan as amended, available to employees (except for those covered under a collective bargaining agreement and part-time employees) who have completed three months of service and have attained 21 years of age. IDQ Acq. Corp’s matching contributions under the plan are 100% of applicable contributions up to the first 4% of employees’ compensation.

Operating Leases

The Company recognizes rental expense for operating leases, including those with rent abatement and escalation provisions, on a straight-line basis over the applicable lease term.

Research and Development Costs

Research and development costs are charged to expense as incurred.

Deferred Financing Costs

Deferred financing costs represent legal, other professional and bank underwriting fees incurred in connection with the issuance of debt. Such fees are amortized over the life of the related debt using the interest method and are included in interest expense.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the anticipated future tax consequences attributable to the differences between the financial statement amounts and their respective tax bases. Management reviews the Company’s deferred tax assets to determine whether their value can be realized based upon available evidence. A valuation allowance is established when management believes that it is more likely than not that some portion or all of its deferred tax assets will not be realized. Changes in valuation allowances from period to period are included in the Company’s tax provision in the period of change. In addition to valuation allowances, the Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by accounting guidance on the accounting for uncertainty in income taxes. Amounts for uncertain tax positions are adjusted when new information becomes available or when positions are effectively settled.

As of December 30, 2014, the Company has \$5.0 million of goodwill, which is expected to be deductible for tax purposes.

Reclassifications

Certain reclassifications have been made to conform the prior period data to the current presentation. These reclassifications had no effect on reported net loss or comprehensive loss.

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Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-15—Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. The ASU requires management to evaluate whether there are conditions and events that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the financial statements are issued and, if so, to disclose that fact. The ASU requires management to make this evaluation for both the annual and interim reporting periods, if applicable. Management is also required to evaluate and disclose whether its plans alleviate that doubt. The ASU is effective for annual periods ending after December 15, 2016 and interim periods within annual periods beginning after December 15, 2016.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards (“IFRS”) that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, provides more useful information to users of the financial statements through improved disclosure requirements and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. For nonpublic entities, ASU No. 2014-09 is effective for the annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. A nonpublic entity may elect to apply this guidance earlier as follows: (1) an annual reporting period beginning after December 15, 2016, including interim periods within that reporting period, (2) an annual reporting period beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017 (3) an annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. The Company is assessing the impact of the adoption of the ASU on its financial statements, disclosure requirements and methods of adoption.

The FASB decided to propose a one-year deferral of the effective date for its new revenue standard for public and nonpublic entities reporting under US GAAP. Under the proposal, the standard would be effective for public entities for annual reporting periods beginning after December 15, 2017 and interim periods therein. Nonpublic entities would be required to adopt the new standard for annual reporting periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.

The proposal also would permit both public and nonpublic entities to adopt the standard as early as the original public entity effective date (i.e., annual reporting periods beginning after December 15, 2016 and interim periods therein). Early adoption prior to that date would not be permitted. The FASB plans to issue an exposure draft on the proposal and expects to seek public comment with a 30-day comment period. The IASB is expected to discuss its standard’s effective date later this month. In an effort to simplify the accounting for private companies the FASB has adopted certain recommendations of the Private Company Council into the Accounting Standards Codification which may be adopted by private companies. The Company will not adopt these private company accounting standards.

Note 2—Acquisition of IDQ Acquisition Corp. and Related-Party Transactions

On March 17, 2014, the Company, in conjunction with its wholly owned subsidiaries, AAG Inc., and AAG IDQ Acquisition Corporation, the Company’s direct wholly-owned subsidiary (“AcquisitionCo”) collectively acquired 100% of the common stock of IDQ Acquisition Corp., pursuant to a Stock Purchase Agreement, dated as of March 17, 2014 (the “AAG Purchase Agreement”), by and among the Company, AAG Inc., AcquisitionCo,

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IDQ Acq. Corp., the then existing stockholders of IDQ Acq. Corp., and a Contribution Agreement, dated March 17, 2014 (the “Contribution Agreement”), by and among the Company and the then existing stockholders of IDQ Acq. Corp. (“the March 17 Acquisition”) for an aggregate purchase price of \$97.1 million. The acquisition did not result in the Company or any of its subsidiaries becoming an obligor of IDQ’s debt instruments and IDQ did not become an obligor of the Company or any of the Company’s other subsidiaries’ debt instruments.

The acquisition of IDQ expands the Company’s consumer product portfolio in the automotive aftermarket industry, as it is a leading manufacturer of do-it-yourself air conditioner recharge and retrofit kits and related products which are sold in over 25,000 retail stores principally in the United States. In accordance with ASC Topic 805, Business Combinations, the change in control was accounted for under the acquisition method of accounting by the Company. As such, the assets and liabilities of IDQ were recorded at their estimated fair value on March 17, 2014.

Pursuant to the AAG Purchase Agreement, immediately prior to the execution of said Agreement, the existing stockholders of IDQ Acq. Corp., pursuant to the Contribution Agreement noted above, collectively contributed 186,541 of their common stock in IDQ to the Company in exchange for common and preferred shares in AAG Parent representing a total estimated fair value of \$28.4 million. The remaining 458,177 issued and outstanding shares of common stock of IDQ were purchased from the existing stockholders for a total \$70.0 million. In addition, at the time of the close, IDQ paid \$1.3 million in third party professional fees and expenses that were incurred by AAG Inc. in connection with the acquisition, which was recorded as a reduction of the total consideration exchanged.

IDQ obtained consents for the change in control from its creditors through amendments to the indentures governing the IDQ Holdings \$220 million Notes and the IDQ Acq. Corp. \$45 million Notes, and an amendment to the IDQ Holdings’ Revolving Credit Facility, in consideration of payments of \$0.6 million, \$0.7 million and \$0.1 million, respectively (See Note 7). In addition, the creditors consented to the payments of acquisition related transaction costs, such as advisory, legal and other professional fees, of up to \$8.0 million, of which \$5.6 million was expensed and included in general and administrative expenses in the accompanying statements of comprehensive loss for the year ended December 31, 2014.

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During the fourth quarter of 2014, the Company finalized its valuation of the acquisition date fair values of the consideration transferred, and the assets acquired and liabilities assumed. Based on that assessment, management determined that the acquisition resulted in goodwill of \$166.6 million, which is attributable to expected synergies and other benefits that will result from combining certain operations of IDQ and AAG Inc. The following is a summary of the consideration transferred for the March 17 Acquisition and the estimated fair values of the assets acquired and liabilities assumed at the acquisition date:

Purchase price:	
Cash consideration	\$ 68,723,844
Fair value of equity instruments (the sellers received a non-controlling interest in AAG Parent)	28,405,545
Total	<u>97,129,389</u>
Fair values of assets acquired and liabilities assumed:	
Current and other assets	74,435,863
Inventory step-up	6,806,000
Property and equipment	4,664,000
Intangible assets	225,900,000
Current liabilities	(39,325,314)
Long-term liabilities	(272,156,216)
Net deferred tax liability	<u>(69,768,811)</u>
Net value of assets (liabilities) acquired	<u>(69,444,478)</u>
Excess—goodwill	<u>\$ 166,573,867</u>

The fair value of the current assets acquired includes trade receivables with a fair value of \$20.6 million. A step-up in the value of the inventory of \$6.8 million was recorded in connection with the IDQ Acquisition based on valuation estimates. During 2014, the full \$6.8 million of the step-up amount was charged to cost of products sold, as the inventory was sold, see consolidated statements of comprehensive loss. The fair values allocated to intangible assets include patents, trademarks and customer relationships with a total estimated fair value of \$225.9 million (See Note 7). The relief from royalty method approach was used to value the patents and the trademarks, and the profit contribution method income approach was used to value the customer relationships. The fair values of the long term liabilities assumed include the IDQ Holdings \$220 million Notes and the IDQ Acq. Corp. \$45 million Notes, with estimated fair values of \$224.4 million and \$46.8 million, respectively, which is based on par value plus an approximated yield-to-maturity premium.

In addition to and in anticipation of the Company's investment in IDQ, the Company entered into an amendment of AAG's Credit Facility on March 11, 2014 revising a defined term, Consolidated EBITDA. Consolidated EBITDA is used in the calculation of certain financial condition covenants under the Credit Facility. The revision to the definition of Consolidated EBITDA excludes from AAG Inc.'s Consolidated EBITDA fees and expenses incurred for the Company's investment in IDQ, its implementation of a management services agreement with IDQ and its pursuit of cost savings, expense reductions and other operating improvements and synergies related to the IDQ acquisition.

In the second quarter of 2014, the Company made an acquisition in the United Kingdom for a total consideration of approximately \$1.9 million.

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In conjunction with the original Acquisition, the Company entered into a Transition Services Agreement (“TSA”) with Clorox whereby Clorox would provide certain services, equipment and office space to the Company. Additionally under the TSA, the Company provided certain services to Clorox. Related party transactions and activities involving Clorox are not always consummated on terms equivalent to those that would prevail in an arm’s-length transaction where conditions of competitive, free-market dealings may exist. On November 1, 2011, the Company completed the transition of its North American and export operations from Clorox provisioning to standalone operations. The Company completed the transition of certain international operations from Clorox in the second quarter of 2012 and terminated the remaining service components of the TSA. During 2012, the Company recorded \$0.7 million of payments under the agreement in Selling and administrative expenses. Further, on conclusion of the TSA we entered into a subsequent arrangement with Clorox for continuation of services in Australia and New Zealand, including warehousing, logistics, customer service and information systems facilities and support. Expenses for these services were \$1.3 million and \$0.7 million and were included in cost of goods sold and selling, general and administrative expenses, respectively in 2012.

Avista

Avista owns approximately 91.3% of the Company. As a result, Avista has the power to elect our board of directors and has the ability to exercise significant influence or control over the Company’s operations.

The Company has entered into a monitoring agreement with Avista and affiliates of Avista whereby Avista provides services for a fixed fee of \$1.0 million annually to the Company. Selling, general and administrative expenses, including out of pocket expenses related to this monitoring agreement were (in thousands):

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Avista monitoring agreement fees	\$ 1,652	\$ 1,044	\$ 1,055

In connection with the Acquisition and the issuance of its long-term debt, the Company paid \$4.1 million to Avista and affiliates of Avista for consulting expenses and recorded these as deferred financing costs which are amortized over the term of the debt using the effective interest method. Related amortization expense was (in thousands):

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Amortization of Avista consulting expenses	\$ 600	\$ 604	\$ 605

Consulting Agreements

Michael Klein, who serves as the Company’s Chief Executive Officer, is the sole member of Las Colinas Investments, LLC, which is entitled to receive \$125,280 per annum from IDQ Operating, Inc., a subsidiary of IDQ Acq. Corp., pursuant to, and subject to the terms and conditions of, the Consulting Agreement, dated as of January 28, 2013, as amended, subject to an aggregate cap of \$360,000 following April 1, 2014. Gerard Rooney, who serves as the Company’s Executive Vice President of Operations, is the sole member of Windy Hill Investments LLC, which is entitled to receive \$83,250 per annum from IDQ Operating, Inc. pursuant to, and subject to the terms and conditions of, the Consulting Agreement, dated as of January 28, 2013, as amended, subject to an aggregate cap of \$240,000 following April 1, 2014. Under the terms of the Board Service and

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Consulting Agreements, dated as of June 1, 2014 and March 17, 2014, respectively, Ms. Kranc and Mr. Yurko are each entitled to receive \$50,000 per annum from the Company for their board service and consulting services. In consideration for services rendered in connection with the IDQ investment, Mr. Yurko received a transaction fee equal to \$250,000 per the terms of the consulting agreement. In June 2014, Ms. Kranc was granted 100,000 stock options, per the terms of her consulting agreement.

Kinderhook Industries

Under the terms of the IDQ Acquisition, Kinderhook Industries, which formerly owned 88% of IDQ Acq. Corp., received a 7.1% stake in the common equity of the Company, as a component of the consideration for the sale of its ownership interest in IDQ Acq. Corp. Kinderhook had a monitoring agreement whereby Kinderhook provides services for a fixed fee of \$1.7 million annually to IDQ Acq. Corp. The agreement was amended in March 2014 to cap future payments to Kinderhook at a total of \$5.0 million. Selling, general and administrative expenses, including out of pocket expenses related to this monitoring agreement were \$1.2 million during 2014.

Directors and Officers

In connection with the Acquisition and issuance of the AAG's long-term debt, the Company incurred costs of \$1.8 million for consulting expenses from individuals that later became directors and officers of the Company. Of this amount, \$0.4 million was paid to certain directors and officers of the Company and \$1.4 million was reinvested in the Company through the purchase of common stock. Of these consulting expenses, \$1.3 million was recorded in 2010 with the remaining \$0.5 million deferred and amortized over the term of the respective debt using the effective interest method. Related amortization expense was (in thousands):

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Amortization of directors' and officers' consulting expenses	\$ 68	\$ 68	\$ 68

The Company engaged Charles McIlvaine, a former Director of the Company, to provide services associated with corporate development and other strategic initiatives on a consulting basis. Pursuant to this arrangement the Company recorded charges of \$0.1 million in the year ended December 31, 2012, in selling, general and administrative expenses.

Note 3—Accounts Receivable, net

The percentage of accounts receivable due from the Company's largest customers were:

	December 31, 2014	December 31, 2013
First	21%	24%
Second	19%	7%

No other customers exceeded 10% of net accounts receivable in any period.

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The percentage of the Company's net sales to the Company's largest customers were:

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Walmart	23%	23%	22%
AutoZone	12%	—	—

Sales to the Company's largest customer are principally made in North America. No other customers exceeded 10% of net sales in any period.

The Company's allowance for doubtful accounts is summarized as follows (in thousands):

	Beginning Balance	Provision for Doubtful Accounts	Amounts Written- Off	Other Deductions — Purchase Accounting	Ending Balance
Year ended December 31, 2014	\$ 448	\$ 360	\$ (241)	\$ —	\$ 567
Year ended December 31, 2013	682	174	(408)	—	448
Year ended December 31, 2012	390	370	(78)	—	682

Note 4—Inventories

Inventories consisted of the following (in thousands):

	December 31, 2014	December 31, 2013
Finished goods	\$ 43,600	\$ 28,400
Work in process	1,750	—
Raw materials and packaging	20,271	7,896
Allowances for obsolescence	(2,316)	(2,253)
	<u>\$ 63,305</u>	<u>\$ 34,043</u>

The Company's allowance for obsolescence is summarized as follows (in thousands):

	Beginning Balance	Provision for obsolescence	Amounts Written- Off	Other Deductions — Purchase Accounting	Ending Balance
Year Ended December 31, 2014	\$ 2,253	\$ 3,818	\$(3,755)	\$ —	\$2,316
2013	2,029	3,599	(3,375)	—	2,253
2012	2,051	1,195	(1,217)	—	2,029

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Note 5—Other Current Assets

Other current assets consisted of the following (in thousands):

	December 31, 2014	December 31, 2013
Current deferred taxes	\$ 5,451	\$ 3,555
Deferred financing costs	1,508	1,767
Prepaid expenses	3,230	2,015
Prepaid income taxes	1,480	2,453
Other	1,790	1,886
	<u>\$ 13,459</u>	<u>\$ 11,676</u>

Note 6—Property, Plant and Equipment, net

Property, plant and equipment consisted of the following (in thousands):

	December 31, 2014	December 31, 2013
Land and improvements	\$ 696	\$ 696
Buildings	3,773	3,769
Leasehold improvements	1,381	1,088
Machinery and equipment	28,833	22,331
Furniture, fixtures and office equipment	4,622	4,434
Vehicles	457	413
Molds and dies	272	—
Capitalized software	12,697	12,182
Construction in progress	3,531	1,541
	56,262	46,454
Less: accumulated depreciation	<u>(25,254)</u>	<u>(17,518)</u>
	<u>\$ 31,008</u>	<u>\$ 28,936</u>

Depreciation expense related to property, plant and equipment and amortization of capitalized software was (in thousands):

	Year ended		
	December 31, 2014	December 31, 2013	December 31, 2012
Depreciation	\$ 5,655	\$ 4,953	\$ 4,639
Amortization of capitalized software	2,198	2,017	1,605
	<u>\$ 7,853</u>	<u>\$ 6,970</u>	<u>\$ 6,244</u>

Note 7—Goodwill and Intangible Assets, net

During the fourth quarter of 2014, the Company completed its annual indefinite lived intangible asset impairment assessment. The Company uses an income approach, the relief from royalty method, to estimate the fair value of its trademarks and trade names with indefinite lives. This method assumes that, in lieu of ownership,

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a third party would be willing to pay a royalty in order to obtain the rights to use the comparable asset. The determination of the fair values of trademarks and brand name assets with indefinite lives requires significant judgments in determining both the assets' estimated cash flows as well as the appropriate discount and royalty rates applied to those cash flows to determine fair value. The fair values of the trademarks and brand names were determined using unobservable inputs, reflecting the Company's own assumptions (Level 3). Changes in such estimates or the application of alternative assumptions could produce different results. After completing the trademark impairment test as described in Note 1, the Company recorded a \$7.0 million non-cash trademark impairment charge related to its STP trade name, which is included in intangible asset and goodwill impairment in the consolidated statement of comprehensive loss. The key factors leading to the impairment charge was a decline in forecasted future results of the brand, as compared with the projections which were made when the brand was acquired from Clorox in 2010.

During the fourth quarter of 2012, the Company revised its pricing structure for intercompany purchases and sales of goods ("Intercompany Pricing"). The change in Intercompany Pricing had the effect of increasing the cost of intercompany purchases in the Company's Europe, Middle East and Africa reporting unit, its Australia and New Zealand reporting unit and its Latin America and Asia reporting unit, while increasing the value of intercompany sales from the Company's North America reporting unit. As a result of this change in Intercompany Pricing, when the Company determined the fair value of the assets and liabilities of its reporting units in the first step of the goodwill impairment test as described in Note 1 the fair value of the Company's Europe, Middle East and Africa reporting unit and its Australia and New Zealand reporting unit were lower than the carrying values of those reporting units. This decrease in value resulted primarily from the change in the Intercompany Pricing structure. After completing the second step of the goodwill impairment test as described in Note 1, the Company recorded a \$24.1 million non-cash goodwill impairment charge, which is included in intangible asset and goodwill impairment in the consolidated statement of comprehensive loss. The fair values of the trademarks and brand names were determined using unobservable inputs, reflecting the Company's own assumptions (Level 3).

The Company also evaluated the recoverability of its customer relationships, patents and licensing arrangements intangible assets as well as its tangible, long lived assets. When there is prevalent indication of impairment of a finite and long-lived asset or asset group, the Company tests for recoverability by comparing the carrying value of an asset or asset group to their undiscounted cash flows. However, the Company concluded there was not a prevalence of evidence any impairment was present at the asset group level for any of its finite lived assets.

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Changes in the carrying amount of goodwill and intangible assets were as follows (in thousands):

	<u>Goodwill</u>	<u>Trademarks and Other Intangible Assets</u>			<u>Total</u>	
		<u>Patents Subject to Amortization</u>	<u>Trademarks and Brands Not Subject to Amortization</u>	<u>Customer Relationships Subject to Amortization</u>		<u>Licensing Arrangements Subject to Amortization</u>
Balance at December 31, 2012	\$362,216	—	\$ 99,597	\$ 249,610	\$ 3,698	\$352,905
Amortization	—	—	—	(35,488)	(1,300)	(36,788)
Acquisition	580	—	—	1,823	—	1,823
Translation adjustments	(3,970)	—	(1,384)	(3,086)	—	(4,470)
Balance at December 31, 2013	<u>358,826</u>	<u>—</u>	<u>98,213</u>	<u>212,859</u>	<u>2,398</u>	<u>313,470</u>
Amortization	0	(2,366)	0	(43,439)	(1,300)	(47,105)
Impairment	0	0	(7,000)	0	0	(7,000)
Acquisitions	168,445	26,900	31,400	167,600	0	225,900
Translation adjustments	(3,908)	—	(1,161)	(2,415)	0	(3,576)
Balance at December 31, 2014	<u>\$523,363</u>	<u>\$ 24,534</u>	<u>\$ 121,452</u>	<u>\$ 334,605</u>	<u>\$ 1,098</u>	<u>\$481,689</u>

Customer relationships and licensing arrangements subject to amortization are reported on the consolidated balance sheets net of accumulated amortization of \$149.1 million, and \$80.6 million, at December 31, 2014 and 2013, respectively. The weighted average remaining amortization period for patents, customer relationships and licensing arrangements subject to amortization is 8 years, 6 years and 2 years, respectively. In the first quarter of 2014, the Company acquired IDQ Holdings in the United States, increasing goodwill by \$166.6 million (all of which was allocated to the IDQ reporting unit) and made an acquisition in the U. K., increasing goodwill by \$1.9 million (all of which was allocated to its European reporting unit under AAG Inc.) In the third quarter of 2013, the Company made an acquisition in Europe, increasing goodwill and customer relationships by \$0.6 million and \$1.8 million (which will be amortized over 7 years), respectively. Licensing royalties were \$2.4 million, \$2.3 million and \$3.0 million in the years ended December 31, 2014, 2013 and 2012, respectively. Although licensing agreements may not be renewed for strategic or other reasons, the Company generally maintains and extends its existing license arrangements.

Expected future amortization expense for these intangible assets as of December 31, 2014 is as follows:

<u>Fiscal Years</u>	
2015	\$ 51,322
2016	49,126
2017	47,637
2018	39,554
2019	39,554
Thereafter	<u>133,044</u>
	<u>\$360,237</u>

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Note 8—Accrued Expenses and Other Current Liabilities

The following summarizes the Company's accrued expenses and other current liabilities (in thousands):

	December 31, 2014	December 31, 2013
Trade, sales promotion and advertising	\$ 10,254	\$ 8,777
Accrued interest	15,864	8,029
Accrued taxes	2,729	50
Compensation and benefits	6,627	2,156
Other	10,549	5,672
	<u>\$ 46,023</u>	<u>\$ 24,684</u>

Note 9—Debt

The following summarizes the Company's debt (in thousands):

	December 31, 2014					Long-term portion, net of discount/ premium
	Face Value	Premium	Discount	Carry Value	Less: current portion	
Revolvers(1)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
AAG Term Loan—due 2016	279,000	—	(3,389)	275,611	(3,000)	\$ 272,611
AAG Senior Notes—9.75%, due 2018	275,000	—	(6,142)	268,858	—	268,858
IDQ Holdings—Senior Secured Notes—11.5%, due 2017	220,000	3,390	—	223,390	—	223,390
IDQ Acq. Corp.—Senior Secured Notes—14.0%, due 2017	45,000	1,464	—	46,464	—	46,464
	<u>\$ 819,000</u>	<u>\$ 4,854</u>	<u>\$ (9,531)</u>	<u>\$ 814,323</u>	<u>\$ (3,000)</u>	<u>\$ 811,323</u>

(1) —AAG Revolver and IDQ Holdings Revolving Credit Facilities.

	December 31, 2013				Long-term Portion, net of discount
	Balance	Discount	Carry Value	Less: current portion	
AAG Revolver	\$ —	\$ —	\$ —	\$ —	\$ —
AAG Term Loan—due 2016	291,000	(6,271)	284,729	(3,000)	\$ 281,729
AAG Senior Notes—9.75%, due 2018	275,000	(6,147)	268,853	—	268,853
	<u>\$566,000</u>	<u>\$ (12,418)</u>	<u>\$ 553,582</u>	<u>\$ (3,000)</u>	<u>\$ 550,582</u>

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AAG Credit Facility

In connection with the Acquisition on November 5, 2010, the Company entered into a credit agreement, among Intermediate, the Company, several lenders, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents parties thereto (the "AAG Credit Facility"). Borrowings under the AAG Credit Facility bear interest at a rate of the sum of (i) the greater of the London Interbank Offered Rate ("LIBOR") or 1.75% and (ii) 4.25%. The AAG Credit Facility provided revolving credit and a Term Loan as follows:

AAG Revolver—A secured \$50.0 million revolving credit loan (the "AAG Revolver") governed by the AAG Revolving Credit facility, which expires in November 2015. Further to interest as described above on the AAG Revolver, an annual commitment fee of 0.75% is charged quarterly based on the average daily unused portion of the AAG Revolver. No amounts were outstanding against the AAG Revolver at December 31, 2014 and December 31, 2013. While the Company expects to be able to renew the AAG Revolving Credit Facility, there is no guarantee the Company will be successful, which may limit the Company's ability to achieve its corporate operating plans.

On March 11, 2014, the Company entered into an amendment of AAG's Credit Facility revising a defined term, Consolidated EBITDA. Consolidated EBITDA is used in the calculation of certain financial condition covenants under the AAG Credit Facility. The revision to the definition of Consolidated EBITDA excludes from Consolidated EBITDA fees and expenses incurred for the Company's acquisition of IDQ Acq. Corp., the Company's implementation of a management services agreement with IDQ Acq. Corp. and the Company's pursuit of cost savings, expense reductions and other operating improvements and synergies related to IDQ.

AAG Term Loan—A \$300.0 million term loan (the "AAG Term Loan") with quarterly principal payments of \$0.8 million and the remaining principal maturing in November 2016.

In September 2012, the Company entered into an amendment of the AAG Credit Facility revising the maximum consolidated leverage ratio and the minimum consolidated interest coverage ratio as applicable to the Company's \$50.0 million Revolver. Costs associated with the amendment of \$0.4 million have been deferred and are recorded as other current assets and other non-current assets on the Company's consolidated balance sheets, and will be amortized to interest expense together with other of the Company's deferred financing costs using the effective interest method.

The AAG Credit Facility is collateralized by substantially all of the assets of AAG. The AAG Credit Facility is subject to certain covenants which restrict the payment of dividends, AAG's ability to incur indebtedness or liens, or make certain investments and requires AAG to maintain certain financial ratios. As of December 31, 2014, the Company was in compliance with all covenants related to the AAG Credit Facility. The Company's payment obligations under the AAG Credit Facility are guaranteed, jointly and severally, by all of AAG's wholly owned domestic subsidiaries.

AAG Senior Notes

In connection with the Acquisition on November 5, 2010, AAG issued 9.25% senior unsecured notes (the "AAG Senior Notes") in an aggregate principal amount of \$275.0 million, which will mature in November 2018. The coupon interest on these notes is payable semiannually on May 1 and November 1.

Under terms of a registration rights agreement the Company entered into with respect to the AAG Senior Notes, the Company agreed to use commercially reasonable efforts to complete an exchange offer related to the notes by April 28, 2012. Until the exchange offer was completed on August 23, 2012, additional interest of \$0.3 million accrued on the AAG Senior Notes that was paid November 2012.

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The indenture that governs the AAG Senior Notes is subject to certain covenants which restrict the payment of dividends, AAG's ability to incur indebtedness or liens, or make certain investments. AAG's payment obligations under the AAG Senior Notes are guaranteed, jointly and severally, by all of the AAG's wholly owned domestic subsidiaries.

IDQ Holdings \$220 Million Senior Secured Notes

On March 17, 2014, the Company assumed the debt of IDQ Holdings, as part of the March 17 Acquisition (See Note 2). In connection with the March 2014 Sale, the \$220 Million Senior Secured Notes (the "\$220M Notes") were recorded at their estimated fair value of \$224.4 million, which included a premium of \$4.4 million. The premium is being amortized into interest expense using the effective interest rate method over the remaining term of the \$220M Notes. At December 31, 2014 the carrying value of the \$220M Notes was \$223.4 million, which includes unamortized premiums of \$3.4 million. Interest is payable on the \$220M Notes in cash semi-annually, in arrears, on April 1 and October 1 of each year.

Previously, on March 27, 2012, IDQ Holdings completed the sale of \$220 million aggregate principal amount of 11.5% senior secured notes due April 2017. The \$220M Notes were issued under an indenture among IDQ Holdings, its' subsidiary guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as trustee. The \$220M Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by each of IDQ's existing and future domestic restricted subsidiaries. The \$220M Notes and the related guarantees are secured by liens on substantially all of IDQ's and the guarantor's assets, subject to certain exceptions and permitted liens. The security interest in such assets consisting of working capital assets that secure the notes and the related guarantees are contractually subordinated to liens thereon that secure the IDQ Holdings Revolving Credit Facility. The security interest in the non-working capital assets are contractually subordinated to liens thereon that secure the notes and the related guarantees.

The indenture governing the \$220M Notes contains certain restrictive covenants that, among other requirements, limits IDQ's and its' restricted subsidiaries' ability to incur additional debt, pay dividends or make other restricted payments, prepay, redeem or repurchase capital stock or subordinated debt, transfer or sell assets, make investments, enter into transactions with IDQ's affiliates, create or incur liens and merge or consolidate with any person. These covenants are subject to a number of exceptions and qualifications, as defined in the indenture, and for so long as the \$220M Notes have an investment grade rating from both Standard & Poor's and Moody's Investor Service, Inc., and no default has occurred and is continuing under the indenture governing the \$220M Notes, generally, the Company will not be subject to certain of the covenants listed above. As of December 31, 2014, IDQ Holdings was in compliance with all such covenants.

Subject to certain conditions, in general, IDQ must make an offer to purchase the \$220M Notes with the excess cash flow offer amount, defined in the indenture as 75% of IDQ's excess cash flow, determined for each annual period ending December 31, at 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. The Company will not be required (but may elect to do so) to make an excess cash offer unless the excess cash amount with respect to the period exceeds \$3.0 million (lesser amounts are to be carried forward for determining whether the \$3.0 million threshold has been met for any future period). Should the Company conclude or be required to make such offer, then the offer shall be mailed to the \$220M Notes' holders within 120 days after the applicable annual period ending December 31. With respect to the year ended December 31, 2014, the Company has estimated the excess cash flow offer amount to be approximately \$14.6 million.

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After October 1, 2014, the Company has the option to redeem a portion or all of the notes at a premium, set forth, in the indenture, which will decrease over time, plus accrued and unpaid interest, if any, to the date of redemption.

Should the Company experience a change in control, as defined in the indenture, the holders of the \$220M Notes have the right to require the Company to purchase the notes at a price in cash equal to 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of purchase. In connection with the change in control that occurred on March 17, 2014, the indenture governing the \$220M Notes was amended effective March 17, 2014, so that the acquisitions did not constitute a "Change in Control", as defined in the indenture and, therefore, IDQ was not required to make any "Change in Control Offers" to the \$220M Note holders. The provisions of these Supplemental Indentures required consideration of \$0.6 million for the amendment.

At December 31, 2014, accrued interest on the notes was \$6.3 million.

IDQ Holdings \$35 Million Revolving Credit Facility

On March 27, 2012, concurrent with the sale of the \$220M Notes and repayment of the revolving bank debt, IDQ entered into a new \$35 million asset based revolving credit facility with the same lender (the "IDQ Holdings Revolving Credit Facility") which is effective through March 27, 2017. Under the IDQ Holdings Revolving Credit Facility, the interest rate, at the option of the Company, is prime rate plus 1.50% or LIBOR plus 2.50%. The Company may borrow based on a borrowing base formula that includes 85% and 60% of eligible receivables and inventory, respectively.

IDQ's obligations under the IDQ Holdings Revolving Credit Facility are secured, subject to certain exceptions, by a first priority lien on IDQ's working capital assets and by a second priority lien on IDQ Holdings' non-working capital assets. In addition under the IDQ Holdings Revolving Credit Facility, IDQ must adhere to an annual capital expenditure limit covenant of \$1.75 million, for the year ended December 31, 2014. Amounts not used may be carried over for one year only to the next fiscal year. A third amendment to the IDQ Holdings Revolving Credit Facility allows for restructuring capital expenditures associated with the March 2014 Sale, not to exceed \$4.0 million during the term of this agreement. As of December 31, 2014, IDQ Holdings was in compliance with this covenant.

On August 20, 2012, in connection with the sale of \$45 million aggregate principal amount of senior secured notes due October 1, 2017 by IDQ Acq. Corp. (the "\$45M Notes"), as described further below, the IDQ Holdings Revolving Credit Facility was amended to permit IDQ Holdings to declare and make a dividend to IDQ Acq. Corp., subject to certain requirements defined in the amended agreement, in order to allow IDQ Acq. Corp. to pay the fees and expenses associated with the sale of the \$45M Notes. Additionally, the amendment permits IDQ Holdings to declare and make a dividend to IDQ Acq. Corp., subject to certain limitations, for the regularly scheduled cash payment of interest, at the rate of 14.00%, per annum, on the \$45M Notes. On March 17, 2014, there was a third amendment to the IDQ Holdings Revolving Credit Facility for the consent to the changes in ownership that occurred on that date (See Note 2) and to allow for the payment of fees and expenses in connection with the change in control. The second amendment on December 27, 2012, permits the IDQ Holdings to make payments to Kinderhook pursuant to the management agreement in effect on December 27, 2012 (See Note 11). Consent fees of \$87,500 and \$350,000, were paid in consideration of the third and second amendment, respectively. At December 31, 2014, the availability under the IDQ Holdings Revolving Credit Facility was \$13.6 million and there was no outstanding balance at December 31, 2014.

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IDQ Acq. Corp. \$45 Million Senior Secured Notes

In connection with the March 17, 2014 sale transaction (See Note 2), the Company and subsidiaries assumed the IDQ \$45M Notes (the “\$45M Notes”) at their estimated fair value of \$46.8 million, which included a premium of \$1.8 million. The premium is being amortized into interest expense using the effective interest rate method over the remaining term of the notes. The terms of the \$45M Notes require the Company to pay interest due entirely in cash (14.00%) to the extent that there is sufficient cash in an interest reserve account established by the Company or, if there is not sufficient cash in the interest reserve account, partially with cash from the interest reserve account, if any, and the balance by the issuance of additional PIK Notes at (14.75%) which would increase the principal amount of the outstanding notes. Interest is payable semi-annually, in arrears, on April 1 and October 1 of each year. As of December 31, 2014, the carrying balance of the \$45M Notes was \$46.5 million, which includes the unamortized premium of \$1.5 million.

On August 20, 2012, IDQ Acq. Corp. completed the sale of \$45 million aggregate principal amount of senior secured notes due October 1, 2017. The \$45M Notes were issued at 100% of the aggregate principal amount. The notes were issued under an indenture among IDQ and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent. The notes are not guaranteed by any of IDQ’s subsidiaries and are structurally subordinated to all of the liabilities and preferred stock of any of IDQ’s subsidiaries, including the \$220M Notes and the IDQ Holdings Revolving Credit Facility. The \$45M Notes are secured by liens on substantially all of IDQ Acq. Corp.’s assets subject to certain exception and permitted liens, including a first priority pledge on 100% of the capital stock of IDQ Holdings.

The indenture governing the \$45M Notes contains certain restrictive covenants that, among other requirements, limits IDQ and restricted subsidiaries’, including IDQ Holdings’, ability to incur additional debt, pay dividends or make other restricted payments, prepay, redeem or repurchase capital stock or subordinated debt, transfer or sell assets, make investments, enter into transactions with affiliates, create or incur liens and merge or consolidate with any person. In addition, IDQ Acq. Corp. may not engage in any business or activity other than its ownership of all of the equity interest in IDQ Holdings, performing its obligations with respect to indebtedness or liens permitted to be incurred under the indenture, and activities incidental to the foregoing.

After October 1, 2014, the Company has the option to redeem a portion or all of the \$45M Notes at a premium, set forth in the indenture, which will decrease over time, plus accrued and unpaid interest, if any, to the date of redemption.

Should IDQ Acq. Corp. experience a change in control, as defined in the indenture, the holders of the \$45M Notes have the right to require IDQ Acq. Corp. to purchase their notes at a price in cash equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest (at the cash interest rate) thereon. In the event that the terms of the indebtedness of IDQ Acq. Corp.’s subsidiaries prohibits such a repurchase, then within a specified time described fully in the \$45M Notes indenture, IDQ Acq. Corp. shall repay in full all such indebtedness, or offer to repay in full such indebtedness, if doing so will allow the purchase of the notes or obtain the requisite consent under the agreements governing such indebtedness to permit the repurchase of the notes. In connection with the change in control that occurred on March 17, 2014 (See Note 2), the indenture governing the \$45M Notes was amended effective March 17, 2014 so that the acquisitions did not constitute a “Change in Control”, as defined in the indenture and, therefore, IDQ Acq. Corp. was not required to make any “Change in Control Offers” to the note holders. The provisions of these Supplemental Indentures required consideration of \$0.7 million for the amendment.

As mentioned above, effective August 20, 2012, an amendment to the IDQ Holdings Revolving Credit Facility permits IDQ Holdings to declare and make dividends to IDQ Acq. Corp. subject to certain requirements

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defined in the amendment agreement, in order to allow IDQ Acq. Corp. to make the regularly scheduled cash payments of interest, at the rate of 14.00% per annum, on the \$45M Notes. On the business day preceding October 1 of each year, IDQ Acq. Corp. will cause IDQ Holdings to make the maximum amount of permitted dividends to it, pursuant to the indenture governing the \$220M Notes, so long as such dividend is otherwise permitted to be made under the indenture governing the \$220M Notes, the IDQ Holdings Revolving Credit Facility, and in accordance with applicable law, and that IDQ Acq. Corp. shall deposit such amounts in the interest reserve account maintained with the collateral agent. In lieu of causing IDQ Holdings to make such a dividend, IDQ Acq. Corp. may deposit an equivalent amount from the sale of its capital stock or by a contribution of capital. Amounts on deposit in the interest reserve account shall be released to the Trustee in accordance with the terms of the security agreement to pay interest due on the \$45M Notes. No indebtedness may be secured by a lien on the interest reserve account other than the \$45M Notes.

On September 30, 2014, IDQ Acq. Corp. reserved the cash interest of \$3.1 million due April 1, 2015 on the \$45M Notes. These funds, as required, were deposited in the interest reserve account maintained with the collateral agent, and at December 31, 2014 are included in restricted cash (See Note 1) within current assets in the accompanying consolidated balance sheets. On April 1, 2015, IDQ Acq. Corp. authorized the release of those funds to the trustee of the \$45M Notes. For the period March 17, 2014 through December 31, 2014, interest expense related to the \$45M Notes amounted to \$4.7 million, which is net of amortization of note premium of \$0.3 million.

Interest Expense

Interest expense associated with the credit facilities and the Company's long-term debt including commitment fees for unused borrowings, and amortization of original issue discount and deferred financing costs were as follows (in thousands):

	<u>December 31,</u> <u>2014</u>	<u>Year Ended</u> <u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Credit Facility			
AAG Revolver	\$ 813	\$ 864	\$ 1,485
AAG Term Loan—due 2016	19,392	19,954	20,110
AAG Senior Notes—9.75%, due 2018	27,210	27,089	26,980
IDQ Holdings Senior Secured Notes- 11.5%, due 2017	18,985	—	—
IDQ Acq. Corp. Senior Secured Notes- 14.0%, due 2017	4,651	—	—
Other	482	117	312
	<u>\$ 71,533</u>	<u>\$ 48,024</u>	<u>\$ 48,887</u>

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Debt Maturities

Debt maturities are as follows as of December 31, 2014 (in thousands):

Fiscal Years	
2015	\$ 3,000
2016	276,000
2017	265,000
2018	<u>275,000</u>
	<u>\$819,000</u>

Deferred Financing Costs, net

Costs associated with the establishment of the AAG Credit Facility and AAG Senior Notes have been deferred and are recorded as other current assets and other non-current assets on the Company's Consolidated Balance Sheets as follows (in thousands):

	December 31, 2014	December 31, 2013
Balance	\$ 9,979	\$ 9,979
Less: accumulated amortization	<u>(6,397)</u>	<u>(4,814)</u>
	3,582	5,165
Less: current portion, net of amortization	<u>(1,508)</u>	<u>(1,767)</u>
Long-term portion, net of amortization	<u>\$ 2,074</u>	<u>\$ 3,398</u>

Note 10—Fair Value Measurement of Assets and Liabilities

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value which is intended to increase consistency and comparability and related disclosures. An asset or liability's classification is based on the lowest level of input that is significant to the fair value measurement and is disclosed in one of the following three categories:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3—Unobservable inputs reflecting the reporting entity's own assumptions.

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The Company's financial instruments consist of cash, trade accounts receivable, trade accounts payable and long-term debt. Due to their short-term maturity, the carrying amounts of cash, trade accounts receivable and trade accounts payable approximate their fair market values. The carrying and fair values of the Company's long-term debt were as follows (in thousands):

	December 31, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
AAG Term Loan	\$ 275,611	\$ 278,303	\$ 284,729	\$ 291,000
AAG Senior Notes—9.75%, due 2018	\$ 268,858	\$ 273,625	\$ 268,853	\$ 267,438
IDQ Holdings—Senior Secured Notes—11.5%, due 2017	\$ 223,400	\$ 224,400	\$ —	\$ —
IDQ Acq. Corp.—Senior Secured Notes—14.0%, due 2017	\$ 46,500	\$ 46,800	\$ —	\$ —

The fair value of the Term Loan and Senior Notes was determined using broker quotes (Level 2). The broker quotes are determined on an analysis of discounted cash flows together with applicable forward LIBOR rates.

Note 11—Commitments and Contingencies

The Company leases various manufacturing, warehousing and office facilities under non-cancelable operating lease agreements which expire at various dates through 2019. The Company also has a number of third party service providers covering aspects of the administration of the business, including procurement, contract manufacturing, logistics, transportation, warehousing, software maintenance, systems support and hosting. In its marketing and brand support, the Company employs sponsorships, television, print, digital and online advertising. In sourcing of these services the Company generally enters into enforceable and legally binding agreements specifying all significant terms, including quantity, price and the approximate timing of the provision of the good or service to the Company. Under its existing non-cancelable contracts, as of December 31, 2014 the Company is required to pay minimum annual payments as follows (in thousands):

Year Ended December 31,	Operating Leases	Procurement, Contract Manufacturing, Warehousing and Logistics Obligations	Software Maintenance, Systems Support and Hosting	Sponsorship and Media Agreements	Advisory Services and Monitoring
2015	\$ 4,004	\$ 5,643	\$ 803	\$ 2,515	\$ 2,740
2016	\$ 3,906	\$ 3,939	\$ 313	\$ 845	\$ 2,572
2017	\$ 3,197	\$ 3,518	\$ 0	\$ 0	\$ 1,000
2018	\$ 2,369	\$ 1,540	\$ 0	\$ 0	\$ 1,000
2019	\$ 1,377	\$ 1,540	\$ 0	\$ 0	\$ 1,000
Thereafter ⁽¹⁾	\$ 271	\$ 124	\$ 0	\$ 0	\$ 0
	<u>\$ 15,124</u>	<u>\$ 16,304</u>	<u>\$ 1,116</u>	<u>\$ 3,360</u>	<u>\$ 8,312</u>

(1) —Excludes the Company's withdrawal liability to the pension of former employees of IDQ Operating, relating to a complete withdrawal within the meaning of Section 4203 of ERISA. The Company is obligated to fund the pension fund \$50,000 per year, until the obligations are satisfied. (See Note 16 in the Notes to the Consolidated Financial Statements.)

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Operating lease arrangements—Certain of the Company’s operating lease agreements contain rent abatement and rent escalation clauses. The Company expenses rent on a straight-line basis over the life its leases, which commences on the date the Company has the right to control leased property. Certain of the Company’s facility operating lease agreements also provide for additional conditional payments in connection with the lease of the property (e.g., share of operating expenses, insurance, and real estate taxes). These additional payments are not included in the summary of above.

Rental expense for all operating leases was (in thousands):

Year ended		
December 31, 2014	December 31, 2013	December 31, 2012
\$4,731	\$2,775	\$4,108

Contract manufacturing, warehousing and logistics obligations—The Company secures its warehousing facilities and attendant services, and logistics and transportation expertise under several contracts extending into 2019. These outsourcing arrangements typically provide for a base fee and variable costs determined with reference to volume or the provision of additional services, and terms providing for termination for convenience on 120 days’ notice and the payment of stipulated fees and additional costs. Only fixed or base fees on an ongoing basis for the term of the contracted services are included in the above summary. Further, the Company has ongoing relationships with various suppliers who procure, manufacture and/or package the Company’s products (“Contract Manufacturers”). Certain of the Company’s Contract Manufacturers maintain title and control of raw materials and components, materials utilized in finished products, and of the finished products themselves until shipment to the Company’s customers or third party distribution centers in accordance with agreed upon shipment terms. The Company purchases and maintains title and control of raw materials and components packaged by other of its Contract Manufacturers and is only obligated further for the services themselves. The Company typically does not have definitive minimum purchase obligations included in the contract terms with its Contract Manufacturers or other raw material or component suppliers. In the ordinary course of business, supply and service needs are communicated by the Company to its Contract Manufacturers based on orders and short-term projections, ranging typically three months. The Company is committed to purchase the products produced by the Contract Manufacturers based on the projections provided.

Software maintenance, systems support and hosting—The Company outsources much of its information technology infrastructure. These arrangements typically provide for a base or fixed fee and additional costs associated with added systems users and supplementary services, and terms providing for early contract termination with notice and the payment of stipulated fees. Only fixed or base fees on an ongoing basis for the term of the contracted services are included in the above summary.

Supply and purchase agreements—IDQ Acq. Corp. completed a raw material supply agreement that was in effect March 1, 2014 through July 31, 2014. Purchases from this supplier for the period March 17, 2014 through July 31, 2014 were approximately \$1.1 million. Additionally, IDQ Acq. Corp. had another supply agreement that was in effect from November 1, 2013 through December 31, 2014, during which period IDQ Acq. Corp. was expected to make purchases totaling approximately \$1.8 million. For the period ended December 31, 2014, IDQ Holdings purchases from this supplier totaled approximately \$2.1 million. The Company anticipates renewing these agreements in 2015.

Sponsorship and media agreements—The Company’s marketing campaigns rely heavily on racing and rally sponsorships, promotional events, television, print and online advertising. Sponsorship commitments extend into 2015 and the Company’s media plan extends through 2016.

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Advisory Services and Monitoring Agreement—Under the Company’s Advisory Services and Monitoring Agreement, Avista and Kinderhook are providing the Company ongoing advisory services with respect to strategic business plans, corporate development and financial monitoring (See Note 2).

Note 12—Litigation and Other Legal Matters

The Company is subject to various lawsuits and claims relating to issues such as contract disputes, product liability, patents and trademarks, advertising, employee and other matters. Although the results of claims and litigation cannot be predicted with certainty, it is the opinion of management that the ultimate disposition of these matters will not have a material adverse effect, individually or in the aggregate, on the Company’s financial position or results of operations.

In connection with the Acquisition, Clorox retained liability associated with a potential contract claim and the Company has agreed to indemnify and reimburse Clorox for 50% of the first \$5.0 million in costs related to the contract claim. As of December 31, 2014 and 2013, the Company has accrued a \$2.5 million long-term liability related to this contingency, which is included in other liabilities on the consolidated balance sheets.

Note 13—Shareholders’ Equity

Preferred Stock

In March 2014, the Company amended its Articles of Incorporation to authorize 200 million shares of preferred stock, of which 150,000 shares are designated as Series A Preferred stock and the remainder is undesignated. The Company’s parent, Avista, contributed \$62.0 million to the Company in exchange for 62,000 shares of the Preferred A stock. Upon completion of the March 17, 2014 Sales Transaction, Kinderhook and former shareholders of IDQ received 4,746 shares and 647 shares, respectively, of the Company’s Series A Preferred stock. Since these shares are not traded on the public market, the Company commissioned a valuation by an unrelated third-party valuation firm, in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, and assigned a fair value to the Series A Preferred stock issued to Kinderhook and former management IDQ shareholders of \$1,094.90 and \$766.43 per share (discounted for lack of marketability), respectively.

At December 31, 2014, Avista owned 91.4% of the Company’s issued and outstanding Series A Preferred stock, with an additional 7.1% owned by Kinderhook and the remaining aggregate 1.5% owned by certain members of management and the Board of Directors (“Management Stockholders”).

The Company’s preferred stock has certain rights, powers and privileges which include, but are not limited to the following:

(a) the preferred stock will rank senior to any capital stock or other equity securities of the Company (including, without limitation, the common stock of the Company) with respect to dividend rights, rights on liquidation, dissolution, redemption or winding up;

(b) the preferred stock is subject to a liquidation preference of \$1,000 per share (subject to customary adjustments such as stock splits) plus all unpaid and accrued dividends described in (c) below which will be required if a liquidation event occurs (including certain mergers or sales of the Company or the sale, lease, transfer, exclusive license or other disposition of substantially all of the assets of the Company);

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(c) the preferred stock shall be entitled to receive, on a cumulative basis, cash dividends, accrued on a daily basis, whether or not declared and compounding semi-annually on July 31 and December 31 of each year, at a rate of 20% per annum on the sum of the liquidation value thereof plus all accumulated and unpaid dividends thereon from, and including, the date of issuance of such shares of Preferred stock until the date that the liquidation value and accrued dividends are paid or the date which such Preferred stock is redeemed or acquired by the Company (whether or not declared). The unrecorded accumulated and unpaid dividends at December 31, 2014 totaled \$11.1 million;

(d) the preferred stock is subject to redemption by the Company at liquidation value plus all accrued but unpaid dividends at the sole election of the Company;

(e) the preferred stock is not mandatorily redeemable, conditional nor does it contain any conversion options; and

(f) the preferred stockholders share voting rights with the common stock holders. Each holder of Series A Preferred stock shall be entitled to 10,000 votes per share of Series A Preferred stock on all matters to be voted on by the Company's shareholders.

During 2014, the Company repurchased 81 shares of the Company's Series A Preferred stock from former IDQ employees, at a cost of approximately \$88,000 and the shares were subsequently cancelled. The Company's Series A Preferred stock is not traded upon any public market.

Common Stock

In March 2014, the Company amended its Articles of Incorporation to increase the number of authorized common stock to 400 million shares of common stock from the previous authorized number of 365 million shares. On March 17, 2014, the Company issued 23.1 million shares of the Company's common stock to the former shareholders of IDQ Acq. Corp., as consideration for their sale of the outstanding common and preferred stock of IDQ Acq. Corp. to the Company and its subsidiaries under the Stock Purchase Agreement. The shares were issued to Kinderhook, IDQ's largest shareholder, as well as members of IDQ's management team in exchange for their shares of IDQ's outstanding common stock and preferred stock. Since these shares are not traded on the public market, the Company commissioned a valuation by an unrelated third-party valuation firm, in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, and assigned a fair value to the Common Stock issued to Kinderhook and former management IDQ shareholders of \$1.02 and \$0.71 per share (discounted for lack of marketability), respectively.

As of December 31, 2014, Avista owned 91.3 % of the Company's issued and outstanding common stock, with an additional 7.1% owned by Kinderhook and the remaining aggregate 1.6% owned by Management Stockholders. The Company's common stock is not traded upon any public market.

Repurchase right

Under the terms of the Stockholders' Agreement dated November 5, 2010, as amended, among the Company, Avista, and the Management Stockholders, the Company has the option but not an obligation to repurchase all of the shares of common stock held by former Company employees whether acquired directly on Acquisition or issued pursuant to the exercise of stock options to former Company employees who terminate employment under certain circumstances. The purchase price of the Company's call option as prescribed in the

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Stockholders' Agreement is to be determined through a valuation of the Company's common stock on a minority, non-marketable interest basis or, under certain circumstances, based on cost, as defined therein. As there is no active market for the Company's common stock, the Company estimates the fair value of its common stock as determined by the Board of Directors in good faith. If a participant in the 2010 AAG Stock Option Plan (See Note 14) were to terminate employment with the Company, the Company's exercise of its repurchase right under the Stockholders' Agreement on shares received by the a Company employee through the exercise of stock options may require equity awards to be expensed in the Company's statement of comprehensive loss in the period in which the termination occurs. During 2014, the Company repurchased 468,371 shares of the Company's common stock from former employees, at a cost of approximately \$0.5 million.

Dividends

The Company has not paid any cash dividends on its common stock. The declaration of any future cash dividends is at the discretion of the Company's Board of Directors and depends upon its earnings, if any, our capital requirements and financial position, its general economic conditions, and other pertinent conditions. It is the Company's present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in its business operations.

Note 14—Share Based Compensation Plans

The following table presents details of total share based compensation expense that is included in the Company's statements of comprehensive loss (in thousands):

	<u>December 31,</u> <u>2014</u>	<u>Year ended</u> <u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Cost of products sold	(\$ 42)	(\$ 15)	\$ 13
Selling and administrative expenses	(762)	260	243
Research and development costs	(36)	15	10
Total share based compensation costs	<u>(\$840)</u>	<u>\$290</u>	<u>\$266</u>

In November 2010, the Parent's Board of Directors approved the 2010 Equity Incentive Plan (the "2010 AAG Option Plan"), which authorized equity awards to be granted for up to 26,500,000 shares of Parent's common stock. On June 23, 2014, the Parent's Board of Directors resolved to increase the authorized shares to 27,565,000. Under the 2010 AAG Option Plan, certain management and key employees of the Company have been or may be granted a combination of time based and performance based options to purchase the Parent's common stock. Share based compensation expense related to employee grants under the 2010 AAG Option Plan has been reflected in these financial statements. However, during the third quarter of 2014, the Company determined that no compensation expense should be recognized until an actual vesting event occurs. As a result, approximately \$0.8 million of compensation expense which was previously recognized for these grants was reversed. As of December 31, 2014, equity awards for approximately 2,808,750 shares of Parent's common stock remain available for grant under the 2010 AAG Option Plan.

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The Company utilizes an option pricing method employing a Black Scholes model to estimate the fair value of stock options granted. The following weighted average assumptions were used for time based and performance based option grants in the periods:

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
Expected life	3.0 years	6.5 years	6.5 years
Expected volatility	80.0%	34.0%	35.0%
Risk-free interest rate	0.65% - 0.86%	1.23% - 2.03%	0.91% - 1.36%
Dividend yield	0%	0%	0%

Time based and performance based options expire ten years from the date of grant. The expected life of the stock options on the option grants during the period is determined based on the average of the weighted vesting term and the contractual term of the options. However, after the modification discussed below, the expected term was changed to the remaining vesting period of 3 years. The Company estimates stock option forfeitures based on historical data and will adjust the rate to expected forfeitures when Company-specific experience indicates a different trend. Expected volatility for the period is determined consistently based on a five-company peer group, all of which have publicly traded stock. The risk-free interest rate is based on the implied yield on a U.S. Treasury yield curve with a term similar to the expected remaining term of the option on the date of the grant. Dividend yield for the period is determined based on projected annual dividend payments.

Employees of the Company participate in the 2010 AAG Stock Option Plan. On June 23, 2014, the Company modified the stock option grant agreements for certain employees participating in the Plan. In addition, the Company granted additional options covering 2,385,000 shares to employees during the quarter ended June 30, 2014 at \$1.00 per share. One half of the modified and newly granted options vest ratably over a five year period from the date of grant/modification based upon the passage of time (the "Time Award"), while the remaining 50% of the options vest upon the achievement of specified performance conditions as set forth in the grant agreements. The performance condition can be met each fiscal year if certain EBITDA targets are achieved, subject to certain carry back and carry forward provisions, or if a change of control occurs and the applicable return of capital target is met.

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

The following table summarizes stock option activity for time based options under the 2010 AAG Stock Option Plan for the periods presented (in thousands, except per share amounts):

	Number of Time based Shares	Weighted- Average Exercise Price
Non-vested at December 31, 2012	4,708	1.02
Granted	935	1.00
Forfeited	(614)	1.00
Vested	<u>(1,153)</u>	1.01
Non-vested at December 31, 2013	3,876	1.02
Granted	5,628	1.00
Additional Time Based Shares from Modification	3,285	1.00
Forfeited	(1,913)	1.00
Vested	<u>(0)</u>	0.00
Non-vested at December 31, 2014	10,876	1.00
Exercisable at December 31, 2014	<u>2,678</u>	1.00
Outstanding at December 31, 2014	<u>13,554</u>	1.00

Under the 2010 AAG Option Plan, time based options vest ratably over the applicable service period, five years, on each anniversary of the date of grant and, regardless, immediately upon a change in control event, subject to certain conditions. However, Parent and holders of outstanding options covering 14,608,750 option shares and about 40 grants under the 2010 AAG Stock Option Plan agreed to revisions to the stock option award agreements. The revisions effective June 23, 2014, included the following changes:

- a) The vesting period for unvested time based option shares was extended to annual vesting ratably over 5 years from June 23, 2014;
- b) 25% of the option shares designated for performance based vesting in participants' original grants were revised to time based vesting, with annual vesting ratably over 5 years from June 23, 2014;
- c) The performance criteria for the remainder of the performance based option shares was revised to vest based on the company achieving annual EBITDA targets which were designated in the revised grants; and
- d) for performance based options shares, if they do not vest under scenario (c) above, the option shares may vest under an alternative vesting criteria that is based on a target return of capital to stockholders. The return of capital target is a scale of 2 to 3 times the stockholders original investment at such time as there is a change of control of the Company's ownership.

There have been no vested, time based stock options exercised to date under the 2010 AAG Stock Option Plan and no cash received. The weighted average fair value per option of time based options granted in 2014, 2013 and 2012 was \$0.29, \$0.15 and \$0.15, respectively. The aggregate fair value of options vested in 2014, 2013 and 2012 was \$0.0 million, \$0.2 million and \$0.3 million, respectively. At December 31, 2014, the total amount of unrecognized compensation cost for time based options granted is \$4.1 million. At December 31, 2014, vested and exercisable options and total time based options outstanding have weighted average remaining contractual terms of 6.2 and 7.6 years, respectively, and carry no intrinsic value.

Armored AutoGroup Parent, Inc.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 December 31, 2014

The following table summarizes stock option activity for performance based options under the 2010 AAG Stock Option Plan for the periods presented (in thousands, except per share and year amounts):

	Number of Performance based Shares	Weighted- Average Exercise Price
Non-vested at December 31, 2012	12,862	1.01
Granted	1,869	1.00
Forfeited	(926)	1.00
Non-vested at December 31, 2013	13,805	1.01
Granted	5,528	1.00
Forfeited	(4,844)	1.00
Converted to Time Based	(3,285)	1.00
Non-vested and outstanding at December 31, 2014	<u>11,204</u>	1.00

Under the 2010 AAG Stock Option Plan, performance based options vest subject to a liquidity event (e.g., an initial public offering or change in control, as defined) and based upon the attainment of specified minimum returns on capital to Company's shareholders. Compensation expense on performance based option grants is not recognized until it is probable that the liquidity event will occur. For all periods the Company did not recognize share based compensation expense related to its performance based grants given that the performance condition (a liquidity event) has not occurred in any of those periods.

Because it is not probable that these performance based option grants will vest and no compensation expense is recognized, the Company did not value these grants. At a time in which it becomes probable that the performance option grants will vest the Company will have a valuation performed. At that time, the Company will disclose the total compensation cost in their ending financial statements.

Note 15—Income Taxes

The (benefit) provision for income taxes on loss before income taxes, by tax jurisdiction, consisted of the following (in thousands):

	Year Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
Current:			
Federal	\$ 7,566	\$ 3,006	\$ 1,425
State	612	537	364
Foreign	1,329	892	1,783
Total current	<u>9,507</u>	<u>4,435</u>	<u>3,572</u>
Deferred:			
Federal	(20,023)	(11,874)	(11,060)
State	(598)	(2,818)	1,206
Foreign	38	(518)	(758)
Total deferred	<u>(20,583)</u>	<u>(15,210)</u>	<u>(10,612)</u>
Total	<u>\$ (11,076)</u>	<u>\$ (10,775)</u>	<u>\$ (7,040)</u>

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

The components of loss before income taxes, by tax jurisdiction, were as follows (in thousands):

	Year Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
United States	\$ (31,562)	\$ (19,496)	\$ (24,878)
Foreign	(3,983)	(4,667)	(27,961)
	<u>\$ (35,545)</u>	<u>\$ (24,163)</u>	<u>\$ (52,839)</u>

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate on loss before income taxes follows:

	Year Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
Statutory federal tax rate	35.0%	35.0%	35.0%
Non-deductible impairment of goodwill	—	—	(12.3)
State taxes (net of federal tax benefits)	0.6	6.8	(1.8)
Foreign rate differential	(2.1)	(2.0)	(3.0)
Domestic production activities deduction	1.9	0.8	0.6
Acquisition related	(2.0)	—	0.4
Change in Valuation Allowance	(1.7)	(2.3)	—
UK interest deduction	4.9	2.5	1.3
Uncertain tax positions	(2.0)	—	—
Other differences	(3.5)	3.8	(6.9)
Effective tax rate	<u>31.1%</u>	<u>44.6%</u>	<u>13.3%</u>

The Company's effective rate for 2014 differs from the statutory rate primarily due to differences in the foreign tax rates when compared to the statutory rate, changes in valuation allowances relating to certain foreign jurisdictions and uncertain tax positions. The Company's effective benefit rate for 2013 differs from the statutory rate primarily due to state taxes. Other items impacting the Company's effective benefit rate relate primarily to deductible interest expense in the U.K., and adjustments resulting from the filing of the income tax returns.

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to be reversed. Significant deferred tax assets and liabilities consist of the following (in thousands):

	December 31, 2014	December 31, 2013
Deferred tax assets:		
Accrual and reserves	\$ 2,661	\$ 1,841
Inventory costs	3,103	2,064
Acquisition related	9,738	2,225
Net operating losses	1,991	1,806
Other	312	—
Total deferred tax assets	<u>17,805</u>	<u>7,936</u>
Deferred tax liabilities:		
Fixed and intangible assets	(151,616)	(93,388)
Section 481(a) adjustments	(260)	—
Total deferred tax liabilities	<u>(151,876)</u>	<u>(93,388)</u>
Valuation allowance	(1,204)	(603)
Net deferred tax liabilities	<u>\$ (135,275)</u>	<u>\$ (86,055)</u>

The net deferred tax assets and liabilities are included in the balance sheets as follows (in thousands):

	December 31, 2014	December 31, 2013
Current deferred tax assets (included in other current assets)	\$ 5,451	\$ 3,555
Non-current deferred tax liabilities	(140,726)	(89,610)
Net deferred tax liabilities	<u>\$ (135,275)</u>	<u>\$ (86,055)</u>

The Company periodically reviews its deferred tax assets for recoverability. A valuation allowance is established when the Company believes that it is more likely than not that some portion or all of its deferred tax assets will not be realized. As of December 31, 2014, the Company had aggregate foreign net operating losses of approximately \$15.1 million, which is comprised of losses of \$13.3 million, \$1.7 million and \$0.1 million in the United Kingdom, China and other foreign jurisdictions, respectively. Losses in the United Kingdom are subject to an indefinite carryforward period; however, due to limitations on the ability to utilize such losses to offset income from only certain members of the United Kingdom group, a full valuation allowance has been provided on such losses. Losses in China have a five year carryforward period and also carry a full valuation allowance.

In connection with Acquisition, Clorox has agreed to indemnify the Company for any taxes and interest associated with the periods prior to November 4, 2010.

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. As of December 31, 2014 and December 31, 2013, the total balance of accrued interest and penalties related to uncertain tax positions was \$0.3 million and \$0.1 million, respectively.

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

The following is a reconciliation of the beginning and ending amounts of the Company's gross unrecognized tax benefits (in thousands):

	Year Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
Unrecognized tax benefits—beginning of period	\$ 865	\$ 379	\$ 417
Gross increases—tax positions in prior periods	275	625	—
Gross increase—current period tax positions	1,325	—	75
Reversal of accrual for prior year tax positions	(43)	—	—
Statute of limitations lapse	(57)	(51)	—
Settlements	(66)	(88)	(113)
Unrecognized tax benefits—end of period	<u>\$ 2,299</u>	<u>\$ 865</u>	<u>\$ 379</u>

As of December 31, 2014 and December 31, 2013, the total amount of unrecognized tax benefits was \$2.3 million, and \$0.9 million, respectively, which would affect the effective tax rate, if recognized. Of the 2014 and 2013 balances above, \$0.3 million and \$0.2 million, respectively, relates to periods which were included within Clorox tax returns. An offsetting receivable has been recorded in other assets for the Clorox indemnity as of December 31, 2014 and 2013. As of December 31, 2014, the Company had an uncertain tax position of \$1.2 million which was offset against a corresponding net operating loss in accordance with ASU 2013-11.

The Company is subject to exam by the U.S. federal, state, and foreign tax authorities on its filings since 2011. During 2013, the U.S. federal tax return filed by the Company for 2010 was examined by the IRS, and resulted in no change.

In the twelve months succeeding December 31, 2014, the Company expects total unrecognized tax benefits to change by \$0.1 million due to the lapse of statute of limitations on a portion of the unrecognized tax benefit indemnified by Clorox. Audit outcomes and the timing of audit settlements are subject to significant uncertainty.

The Company provides for U.S. income taxes on the earnings of foreign subsidiaries unless the earnings are considered indefinitely invested outside of the U.S. No provision has been made for U.S. income taxes or foreign withholding taxes on \$0.8 million of cumulative unremitted earnings of certain foreign subsidiaries as of December 31, 2014 due to the Company's existing tax structure, existing tax law and the Company's intention to indefinitely reinvest these earnings outside of the U.S. The Company determined that the calculation of the amount of unrecognized deferred tax liability related to these cumulative unremitted earnings was not practicable. If these earnings were distributed to the Company's U.S. entity, the Company would be subject to additional U.S. income taxes and foreign withholding taxes would be reduced by available foreign tax credits.

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 16—Retirement Income and Health Benefit Plans**Defined Contribution Plans**

The Company established a defined contribution plan in the United States for the Company's employees that contain two components, a 401(k) component and a profit-sharing component, which qualifies as a tax deferred savings plan under Section 401(k) of the IRC ("The Plan"). Eligible U.S. employees may contribute a percentage of their pre-tax compensation, subject to certain IRC limitations. The Plan provides for employer matching contributions to be made up to \$1,000 per year and profit sharing contributions at the discretion of the Board of Directors. The Company's aggregate cost of the defined contribution plans was (in thousands):

Year Ended		
December 31, 2014	December 31, 2013	December 31, 2012
\$420	\$804	\$1,622

Union Pension Fund Withdrawal Liability

On June 30, 2000, IDQ Operating, under its former management, withdrew from the Local 29 RWDSU Pension Fund (EIN #13-2669167) and, as a result, affected a complete withdrawal from the fund, within the meaning of Section 4203(a) of the Employee Retirement Income Security Act of 1974. Consequently, the Company is subject to the payment of a withdrawal liability to the fund. Beginning on April 1, 2001, this liability is payable on a quarterly basis in the amount of \$12,509, including interest. The annual amount contributed to the plan by the Company and charged to expense in 2014 was \$37,459.

The Company contribution to the plan was approximately 12.5% of total contributions of approximately \$0.4 million, made by employers and the Pension Benefit Guaranty Corp. Based on the latest information available, the plan's actuarial present value of accumulated plan benefits is approximately \$3.3 million. At December 31, 2014, this liability included in other liabilities amounted to \$0.7 million.

Note 17—Subsequent Events

The Company has evaluated events from the balance sheet date through April 17, 2015, the date at which the financial statements were available to be issued, and determined that there are no other items to disclose.

Armored AutoGroup Parent, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands except share and per share amounts)

	March 31, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 42,550	\$ 47,948
Restricted cash	3,677	3,676
Accounts receivable, net	116,873	69,845
Inventories	60,784	63,305
Other current assets	15,898	13,459
Total current assets	239,782	198,233
Property, plant and equipment, net	29,855	31,008
Goodwill	519,804	523,363
Intangible assets, net	466,610	481,689
Deferred financing costs, net	1,872	2,158
Other assets	99	99
Total assets	\$1,258,022	\$ 1,236,550
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 30,488	\$ 16,279
Accrued expenses and other current liabilities	64,291	46,023
Current portion of long-term debt, less discount	3,000	3,000
Total current liabilities	97,779	65,302
Long-term debt, net of premium, discount and current portion	810,867	811,323
Other liabilities	4,271	4,161
Deferred income taxes	137,572	140,726
Total liabilities	1,050,489	1,021,512
Commitments and contingencies		
Shareholders' Equity:		
Series A Preferred Stock (\$0.01 par value, 150,000 shares authorized, 67,312 issued and outstanding at March 31, 2015 and December 31, 2014)	1	1
Common stock (\$0.01 par value, 400,000,000 and 365,000,000 shares authorized, 288,384,891 shares issued and outstanding at March 31, 2015 and December 31, 2014)	2,884	2,884
Additional paid-in capital	352,693	352,693
Accumulated deficit	(122,987)	(123,440)
Accumulated other comprehensive loss	(25,058)	(17,100)
Total shareholders' equity	207,533	215,038
Total liabilities and shareholders' equity	\$1,258,022	\$ 1,236,550

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

Armored AutoGroup Parent, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

(In thousands)

	Three months ended	
	March 31,	
	2015	2014
Net sales	\$ 119,445	\$ 86,268
Cost of products sold	68,120	45,109
Gross profit	51,325	41,159
Operating expenses:		
Selling expenses	4,991	4,262
General and administrative expenses	9,696	11,905
Advertising costs	3,240	5,409
Research and development costs	733	620
Depreciation and amortization	12,334	9,672
Total operating expenses	30,994	31,868
Operating profit	20,331	9,291
Non-operating expenses:		
Interest expense	19,317	13,181
Other expense (income), net	405	(333)
Income (loss) before income taxes	609	(3,557)
Provision (benefit) for income taxes	156	(876)
Net income (loss)	\$ 453	(\$ 2,681)
Other comprehensive loss:		
Foreign currency translation loss	(7,958)	(1,892)
Comprehensive loss	(\$ 7,505)	(\$ 4,573)

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

Armored AutoGroup Parent, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Three months ended March 31,	
	2015	2014
Cash flows from operating activities:		
Net income (loss)	\$ 453	\$ (2,681)
Adjustments:		
Depreciation and amortization	15,126	12,456
Share based compensation	—	27
Deferred income taxes	(3,784)	(3,598)
Other charges	171	2
Cash effects of changes, net of acquisition effects in:		
Accounts receivable	(47,094)	(18,550)
Inventories	2,520	(4,397)
Other current assets	(1,131)	(1,965)
Accounts payable and accrued liabilities	32,062	21,542
Other	(1,558)	102
Net cash provided by operating activities	<u>(3,235)</u>	<u>2,938</u>
Cash flows from investing activities:		
Acquisition of IDQ Acquisition Corp, net of cash acquired	—	(40,234)
Capital expenditures	(1,050)	(342)
Proceeds from sale of fixed assets	15	—
Net cash used in investing activities	<u>(1,035)</u>	<u>(40,576)</u>
Cash flows from financing activities:		
Principal payments on notes payable	(750)	(9,750)
Proceeds from issuance of preferred stock	—	62,000
Repurchase of common stock	—	(50)
Net cash provided by (used in) financing activities	<u>(750)</u>	<u>52,200</u>
Effect of exchange rate changes on cash	(378)	32
Net increase (decrease) in cash	(5,398)	14,594
Cash and cash equivalents, at beginning of period	47,948	26,038
Cash and cash equivalents, at end of period	<u>\$ 42,550</u>	<u>\$ 40,632</u>
Supplemental cash flow disclosures:		
Cash paid for interest	<u>\$ 4,350</u>	<u>\$ 4,726</u>
Cash paid for income taxes	<u>\$ 4,179</u>	<u>\$ 555</u>

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

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1—The Company and Summary of Significant Accounting Policies

The Company

Armored AutoGroup Parent, Inc. (“Armored AutoGroup”, “AAG” or “the Company”) is a consumer products company consisting of industry leading and highly recognizable brands in the automotive aftermarket appearance products: Armor All®; performance chemicals categories, STP®; and, newly acquired products in the do-it-yourself (DIY) air conditioner recharge and retrofit kits and related products: A/C PRO, Arctic Freeze®, Sub Zero®, and Super Seal® Stop Leak.

On March 17, 2014, the Company and its wholly owned subsidiaries, Armored AutoGroup, Inc. and AAG IDQ Acquisition Corporation, acquired a 100% equity interest in IDQ Acquisition Corp. (“IDQ” or “IDQ Acq. Corp.”). IDQ is a leading manufacturer of do-it-yourself air conditioner recharge and retrofit kits and related products for the automotive aftermarket.

Armored AutoGroup delivers its products to distributors, resellers and end users (collectively the customers) through its direct operations in the United States, Canada, Mexico, Australia, China and the United Kingdom and distributor relationships in approximately 50 countries. The Armor All and STP brands offer multiple automotive appearance and performance chemicals that can be found in most of the major developed countries around the world. IDQ products are sold in over 25,000 retail stores principally in the United States under the brands A/C PRO, Arctic Freeze®, Sub Zero®, and Super Seal® Stop Leak.

In September 2010, Viking Acquisition Inc., an entity owned by affiliates of Avista Capital Holdings, L.P. (“Avista”), entered into an agreement to acquire the AutoCare Products Business, Armor All, STP and certain other brands from Clorox pursuant to the terms of a Purchase and Sale Agreement dated September 21, 2010 (the “Acquisition”). The Acquisition closed on November 5, 2010 and included employees in the United States and other countries dedicated to the Company, related product patent and developed technology and certain other assets, including the manufacturing facilities located in Painesville, Ohio and Wales, U.K. Viking Acquisition Inc. was subsequently renamed as Armored AutoGroup Inc. (“AAG Inc.”). The Company indirectly owns 91.3% of AAG Inc.’s issued and outstanding capital stock through its direct subsidiary and AAG Inc.’s direct parent, Armored AutoGroup Intermediate Inc. (“Intermediate”). The Company granted a 7.1% stake in the common equity of the Company to Kinderhook Industries on March 17, 2014, as a component of the consideration for the sale of its ownership interest in IDQ to the Company. In addition, members of IDQ’s management acquired an additional 1.6% common equity interest as a component of the consideration for the sale of their ownership interest in IDQ.

References to “Armored AutoGroup” or the “Company” herein, refer collectively to Armored AutoGroup Parent, Inc., as well as all of its consolidated subsidiaries, unless otherwise specified.

Basis of Presentation

The interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The Company’s fiscal year end is December 31. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The Company’s appearance and air conditioner products sales are seasonal and can be impacted by weather. Sales are typically higher in the first half of the calendar year as the Company’s customers purchase inventory for the spring and summer seasons when weather is warmer than in the northern hemisphere in the fall and winter months. This pattern is largely reflective of our customers’ seasonal purchasing patterns, as well as the timing of

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

our promotional activities. Weather can also influence consumer behavior, especially for appearance and air conditioner products. Both product lines sell best during warm and dry weather, and less if weather is cold and wet. For these reasons, among others, the Company's results for any quarter are not necessarily indicative of future quarterly results and, accordingly, period-to-period comparisons should not be relied upon as an indication of future performance. The Company builds moderate levels of working capital and inventory in advance of and during the peak selling season. Working capital is also impacted by increases in accounts receivable, which increase significantly during the peak selling period and are typically lowest in the fourth quarter of the year.

Foreign Currency Translation

Local currencies are the functional currencies for substantially all of the Company's foreign operations, with the exception of the Company's United Kingdom ("U.K.") operation, whose functional currency was the U.S. dollar, during 2014 and prior. Subsequently, in early 2015 the Company's U.K. entity switched their functional currency from the U.S. dollar to the British Pound sterling. An entity's functional currency is the currency of the primary economic environment in which the entity operates. Management determined in early 2015 that due to a change in the manner in which the U. K. entity operates, that a switch in the functional currency to the British Pound sterling from the U. S. dollar was necessary.

When the transactional currency is different than the functional currency, transaction gains and losses are included as a component of other expense, net in the consolidated statement of comprehensive loss. Assets and liabilities of foreign operations are translated into U.S. dollars using the exchange rates in effect at the respective balance sheet reporting date. Income and expenses are translated at the average exchange rate during the period. Gains and losses on foreign currency translations are reported as a component of accumulated other comprehensive loss. Deferred taxes are not provided on cumulative translation adjustments as the Company expects earnings of its foreign subsidiary to be indefinitely reinvested.

Acquisitions

The Company accounts for acquired businesses using the purchase method of accounting. Under the purchase method, the Company's consolidated financial statements include the operations of an acquired business from the date of acquisition. In addition, the assets acquired and liabilities assumed are recorded at the date of acquisition at their respective estimated fair values, with any excess of the purchase price over the estimated fair values of the net assets acquired recorded as goodwill.

Determining the fair value of certain assets and liabilities acquired is judgmental in nature and often involves the use of significant estimates and assumptions. The Company typically uses an income method to estimate the fair value of intangible assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants and include the amount and timing of future cash flows, the underlying product life cycles, the economic barriers to entry and the discount rate applied to the cash flows. Actual results may differ from our estimates.

Finite Lived Intangible Assets

Amortization of intangible assets with finite lives (patents, customer relationships and licensing arrangements) is recognized over estimated useful lives ranging from 5 to 16 years, which the Company believes reasonably represents the time period in which the economic benefits of the intangible assets are consumed or otherwise realized. The Company has experienced a negligible attrition rate in its customer base, and is not able to identify a reliable pattern of attrition and, as such, is utilizing the straight-line amortization method to amortize

Armored AutoGroup Parent, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

customer relationship intangible assets. Finite lived intangible assets are reviewed for possible impairment whenever events or changes in circumstances occur that indicate that the carrying amount of an asset may not be recoverable. There have been no instances of impairment identified.

Indefinite Lived Intangible Assets

The Company tests its trademarks and brand names with indefinite lives for impairment annually as of the first day of the fourth quarter, unless there are indications during an interim period that these assets are more likely than not to have become impaired. For trademarks and brand names with indefinite lives, impairment occurs when the carrying amount of an asset is greater than its estimated fair value. An impairment charge is recorded for the difference between the carrying amount and the fair value. The Company uses an income approach, the relief-from-royalty method, to estimate the fair value of its trademarks and trade names with indefinite lives. This method assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the comparable asset. The determination of the fair values of trademarks and brand name assets with indefinite lives requires significant judgments in determining both the assets' estimated cash flows as well as the appropriate discount and royalty rates applied to those cash flows to determine fair value. Changes in such estimates or the application of alternative assumptions could produce different results.

Goodwill

The Company tests its goodwill for impairment annually as of the first day of the fourth quarter unless there are indications during an interim period that these assets are more likely than not to have become impaired. The Company has four geographical reporting units under the AAG Inc. entity and one reporting unit under the IDQ entity. The first step of the goodwill impairment test is to compare the fair value of each reporting unit to its carrying amount to determine if there is potential impairment. If the fair value of the reporting unit is less than its carrying value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss.

The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination at the date of the evaluation and the fair value was the purchase price paid to acquire the reporting unit.

The Company estimates the fair value of reporting units using a weighting of fair values derived from an income approach and a market approach. Determining the fair value of a reporting unit under the first step of the goodwill impairment test and determining the fair value of individual assets and liabilities of a reporting unit (including unrecognized intangible assets) under the second step of the goodwill impairment test is inherently subjective in nature and often involves the use of significant estimates and assumptions based on known facts and circumstances at the time the Company performs the valuation. The use of different assumptions, inputs and judgments or changes in circumstances could materially affect the results of the valuation and could have a significant impact on whether or not an impairment charge is recognized and the magnitude of any such charge.

Income approach—To determine fair value, the Company uses a DCF approach for each of the reporting units. Under this approach, the Company estimates the future cash flows of each reporting unit and discounts these cash flows at a rate of return that reflects their relative risk. The cash flows used in the DCF are consistent

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with the Company's long-range forecasts, and give consideration to historic and projected long-term business trends and strategies. The other key estimates and factors used in the DCF include, but are not limited to, discount rates, future sales volumes, revenue and expense growth rates, changes in working capital, capital expenditure forecasts, foreign exchange rates, currency devaluation, inflation, and a perpetuity growth rate.

Market approach—The Company uses the guideline public company method to select reasonably similar/guideline publicly traded companies for each of the Company's reporting units. Using the guideline public company method, the Company calculates earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples for each of the public companies using both historical and forecasted EBITDA figures. By applying these multiples to the appropriate historical and forecasted EBITDA figures for each reporting unit, fair value estimates are calculated.

During the three months ended March 31, 2015, goodwill decreased by \$3.6 million due to currency translation.

Revenue Recognition

Sales are recognized when title to the product, ownership and risk of loss transfer to the customer, which can be on the date of shipment or the date of receipt by the customer and when all of the following have occurred: a firm sales arrangement exists, pricing is fixed and determinable, and collection is reasonably assured. Revenue includes shipping and handling costs, which generally are included in the list price to the customer. Taxes collected from customers and remitted to governmental authorities are not included in sales. A provision for payment discounts and product return allowances is recorded as a reduction of sales in the same period that the revenue is recognized.

The Company routinely commits to on-going and one-time trade promotion programs with customers, consisting primarily of customer pricing allowances, merchandising funds and consumer coupons offered through various programs to customers and consumers. Accruals for expected payouts under these programs are included as accrued marketing and promotion in the accrued expenses and other liabilities line item in the consolidated balance sheets and are recorded as a reduction of sales in the consolidated statements of comprehensive loss.

Amounts received by the Company from the licensing of certain trademarks are recorded as deferred revenue on the Consolidated Balance Sheets and are recognized in net sales on a straight-line basis over the term of the licensing agreement when the underlying royalties are earned.

Cost of Products Sold

Cost of products sold is primarily comprised of direct materials and supplies consumed in the manufacturing of product, as well as manufacturing labor, depreciation expense, direct overhead expense necessary to acquire and convert the purchased materials and supplies into finished product, contract manufacturing costs, and provisions for inventory losses (including losses relating to excess and obsolete inventory). Cost of products sold also includes the cost to distribute products to customers, inbound freight costs, internal transfer costs, warehousing costs and other shipping and handling activity, as well as costs associated with developing and designing new packaging.

Income Taxes

The Company uses the asset and liability method to account for income taxes. For purposes of the unaudited interim condensed consolidated financial statements, the Company calculates tax with reference to the anticipated effective tax rate for the annual financial period. Deferred tax assets and liabilities are recognized for

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the anticipated future tax consequences attributable to the differences between the financial statement amounts and their respective tax bases. Management reviews the Company's deferred tax assets to determine whether their value can be realized based upon available evidence. A valuation allowance is established when management believes that it is more likely than not that some portion or all of its deferred tax assets will not be realized. Changes in valuation allowances from period to period are included in the Company's tax provision in the period of change. In addition to valuation allowances, the Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement standards prescribed by accounting guidance on the accounting for uncertainty in income taxes. Amounts for uncertain tax positions are adjusted when new information becomes available or when positions are effectively settled.

As of March 31, 2015 and December 31, 2014, the Company has \$5.0 million of goodwill, which is expected to be deductible for tax purposes.

Reclassifications

Certain reclassifications have been made to conform the prior period data to the current presentation. These reclassifications had no effect on reported net loss or comprehensive loss.

Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU No. 2015-03—Simplifying the Presentation of Debt Issuance Costs, which requires that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability to which they relate, consistent with debt discounts, as opposed to being presented as assets. The ASU is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2015 and requires retrospective application. The adoption of this update on January 1, 2016 is not expected to have a material impact on our consolidated financial statements. As of March 31, 2015 and December 31, 2014, the unamortized deferred financing costs recorded on the Company's balance sheets were \$3.2 million and \$3.6 million, respectively.

In February 2015, the FASB issued ASU 2015-02, "Consolidation (Topic 10): Amendments to the Consolidation Analysis" ("ASU 2015-02"). The ASU provides guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. In accordance with ASU 2015-02, all legal entities are subject to reevaluation under the revised consolidation model. ASU 2015-02 will be effective for the Company in its first quarter of fiscal 2016. The Company is currently evaluating the impact of the pending adoption of the ASU on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15—Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The ASU requires management to evaluate whether there are conditions and events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the financial statements are issued and, if so, to disclose that fact. The ASU requires management to make this evaluation for both the annual and interim reporting periods, if applicable. Management is also required to evaluate and disclose whether its plans alleviate that doubt. The ASU is effective for annual periods ending after December 15, 2016 and interim periods within annual periods beginning after December 15, 2016.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards ("IFRS") that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability

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of revenue recognition practices across entities, industries, jurisdictions and capital markets, provides more useful information to users of the financial statements through improved disclosure requirements and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. For nonpublic entities, ASU No. 2014-09 is effective for the annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. A nonpublic entity may elect to apply this guidance earlier as follows: (1) an annual reporting period beginning after December 15, 2016, including interim periods within that reporting period, (2) an annual reporting period beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017 (3) an annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. The Company is assessing the impact of the adoption of the ASU on its financial statements, disclosure requirements and methods of adoption.

On April 1, 2015, the FASB proposed a one-year deferral of the effective date for its new revenue standard for public and nonpublic entities reporting under U.S. GAAP. Under the proposal, the standard would be effective for public entities for annual reporting periods beginning after December 15, 2017 and interim periods therein. Nonpublic entities would be required to adopt the new standard for annual reporting periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.

The proposal also would permit both public and nonpublic entities to adopt the standard as early as the original public entity effective date (i.e., annual reporting periods beginning after December 15, 2016 and interim periods therein). Early adoption prior to that date would not be permitted. The FASB has issued an exposure draft on the proposal and expects to seek public comment with a 30-day comment period.

Note 2—Acquisition of IDQ Acquisition Corp. and Related-Party Transactions

On March 17, 2014, the Company, in conjunction with its wholly owned subsidiaries, AAG Inc., and AAG IDQ Acquisition Corporation, the Company's direct wholly-owned subsidiary ("AcquisitionCo") collectively acquired 100% of the common stock of IDQ Acquisition Corp., pursuant to a Stock Purchase Agreement, dated as of March 17, 2014 (the "AAG Purchase Agreement"), by and among the Company, AAG Inc., AcquisitionCo, IDQ Acq. Corp., the then existing stockholders of IDQ Acq. Corp., and a Contribution Agreement, dated March 17, 2014 (the "Contribution Agreement"), by and among the Company and the then existing stockholders of IDQ Acq. Corp. ("the March 17 Acquisition") for an aggregate purchase price of \$97.1 million. The acquisition did not result in the Company or any of its subsidiaries becoming an obligor of IDQ's debt instruments and IDQ did not become an obligor of the Company or any of the Company's other subsidiaries' debt instruments.

The acquisition of IDQ expands the Company's consumer product portfolio in the automotive aftermarket industry, as it is a leading manufacturer of do-it-yourself air conditioner recharge and retrofit kits and related products which are sold in over 25,000 retail stores principally in the United States. In accordance with ASC Topic 805, Business Combinations, the change in control was accounted for under the acquisition method of accounting by the Company. As such, the assets and liabilities of IDQ were recorded at their estimated fair value on March 17, 2014.

Pursuant to the AAG Purchase Agreement, immediately prior to the execution of said Agreement, the existing stockholders of IDQ Acq. Corp., pursuant to the Contribution Agreement noted above, collectively contributed 186,541 of their common stock in IDQ to the Company in exchange for common and preferred shares in AAG Parent representing a total estimated fair value of \$28.4 million. The remaining 458,177 issued and outstanding shares of common stock of IDQ were purchased from the existing stockholders for a total \$70.0

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million. In addition, at the time of the close, IDQ paid \$1.3 million in third party professional fees and expenses that were incurred by AAG Inc. in connection with the acquisition, which was recorded as a reduction of the total consideration exchanged.

IDQ obtained consents for the change in control from its creditors through amendments to the indentures governing the IDQ Holdings \$220 million Notes and the IDQ Acq. Corp. \$45 million Notes, and an amendment to the IDQ Holdings' Revolving Credit Facility, in consideration of payments of \$0.6 million, \$0.7 million and \$0.1 million, respectively (See Note 4). In addition, the creditors consented to the payments of acquisition related transaction costs, such as advisory, legal and other professional fees, of up to \$8.0 million, of which \$5.6 million was expensed and included in general and administrative expenses in the accompanying statements of comprehensive loss for the year ended December 31, 2014.

During the fourth quarter of 2014, the Company finalized its valuation of the acquisition date fair values of the consideration transferred, and the assets acquired and liabilities assumed. Based on that assessment, management determined that the acquisition resulted in goodwill of \$166.6 million, which is attributable to expected synergies and other benefits that will result from combining certain operations of IDQ and AAG Inc.

In conjunction with the original Acquisition, the Company entered into a Transition Services Agreement ("TSA") with Clorox whereby Clorox would provide certain services, equipment and office space to the Company. Additionally under the TSA, the Company provided certain services to Clorox. Related party transactions and activities involving Clorox are not always consummated on terms equivalent to those that would prevail in an arm's-length transaction where conditions of competitive, free-market dealings may exist. On November 1, 2011, the Company completed the transition of its North American and export operations from Clorox provisioning to standalone operations. The Company completed the transition of certain international operations from Clorox in the second quarter of 2012 and terminated the remaining service components of the TSA.

Avista

Avista owns approximately 91.3% of the Company. As a result, Avista has the power to elect our board of directors and has the ability to exercise significant influence or control over the Company's operations.

The Company has entered into a monitoring agreement with Avista and affiliates of Avista whereby Avista provides services for a fixed fee of \$1.0 million annually to the Company. Selling, general and administrative expenses, including out of pocket expenses related to this monitoring agreement were (in thousands):

	Three months ended	
	March 31, 2015	March 31, 2014
Avista monitoring agreement fees	\$ 383	\$ 250

In connection with the Original Acquisition and the issuance of its long-term debt, the Company paid \$4.1 million to Avista and affiliates of Avista for consulting expenses and recorded these as deferred financing costs which are amortized over the term of the debt using the effective interest method. Related amortization expense was (in thousands):

	Three months ended	
	March 31, 2015	March 31, 2014
Amortization of Avista consulting expenses	\$ 148	\$ 150

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Consulting Agreements

Michael Klein, who serves as the Company's Chief Executive Officer, is the sole member of Las Colinas Investments, LLC, which is entitled to receive \$125,280 per annum from IDQ Operating, Inc., a subsidiary of IDQ Acq. Corp., pursuant to, and subject to the terms and conditions of, the Consulting Agreement, dated as of January 28, 2013, as amended, subject to an aggregate cap of \$360,000 following April 1, 2014. Gerard Rooney, who serves as the Company's Executive Vice President of Operations, is the sole member of Windy Hill Investments LLC, which is entitled to receive \$83,250 per annum from IDQ Operating, Inc. pursuant to, and subject to the terms and conditions of, the Consulting Agreement, dated as of January 28, 2013, as amended, subject to an aggregate cap of \$240,000 following April 1, 2014. Under the terms of the Board Service and Consulting Agreements, dated as of June 1, 2014 and March 17, 2014, respectively, Ms. Kranc and Mr. Yurko are each entitled to receive \$50,000 per annum from the Company for their board service and consulting services. In consideration for services rendered in connection with the IDQ investment, Mr. Yurko received a transaction fee equal to \$250,000 per the terms of the consulting agreement. In June 2014, Ms. Kranc was granted 100,000 stock options, per the terms of her consulting agreement.

Kinderhook Industries

Under the terms of the IDQ Acquisition, Kinderhook Industries, which formerly owned 88% of IDQ Acq. Corp., received a 7.1% stake in the common equity of the Company, as a component of the consideration for the sale of its ownership interest in IDQ Acq. Corp. Kinderhook had a monitoring agreement whereby Kinderhook provides services for a fixed fee of \$1.7 million annually to IDQ Acq. Corp. The agreement was amended in March 2014 to cap future payments to Kinderhook at a total of \$5.0 million. Selling, general and administrative expenses, including out of pocket expenses related to this monitoring agreement were \$0.3 million during the quarter ended March 31, 2015.

Directors and Officers

In connection with the Acquisition and issuance of the AAG's long-term debt, the Company incurred costs of \$1.8 million for consulting expenses from individuals that later became directors and officers of the Company. Of this amount, \$0.4 million was paid to certain directors and officers of the Company and \$1.4 million was reinvested in the Company through the purchase of common stock. Of these consulting expenses, \$1.3 million was recorded in 2010 with the remaining \$0.5 million deferred and amortized over the term of the respective debt using the effective interest method. Related amortization expense was (in thousands):

	Three months ended	
	March 31, 2015	March 31, 2015
Amortization of directors' and officers' consulting expenses	\$ 17	\$ 17

The Company engaged Charles McIlvaine, a former Director of the Company, to provide services associated with corporate development and other strategic initiatives on a consulting basis.

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Note 3—Inventories

Inventories consisted of the following (in thousands):

	March 31, 2015	December 31, 2014
Finished goods	\$ 41,807	\$ 43,600
Work in process	1,099	1,750
Raw materials and packaging	20,146	20,271
Allowances for obsolescence	(2,268)	(2,316)
	<u>\$ 60,784</u>	<u>\$ 63,305</u>

Note 4—Fair Value Measurement of Assets and Liabilities

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value which is intended to increase consistency and comparability and related disclosures. An asset or liability's classification is based on the lowest level of input that is significant to the fair value measurement and is disclosed in one of the following three categories:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3—Unobservable inputs reflecting the reporting entity's own assumptions.

The Company's financial instruments consist of cash, trade accounts receivable, trade accounts payable and long-term debt. Due to their short-term maturity, the carrying amounts of cash, trade accounts receivable and trade accounts payable approximate their fair market values. The carrying and fair values of the Company's long-term debt were as follows (in thousands):

	March 31, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
AAG Term Loan	\$ 275,273	\$ 278,250	\$ 275,611	\$ 278,303
AAG Senior Notes- 9.75%, due 2018	\$ 269,191	\$ 279,125	\$ 268,858	\$ 273,625
IDQ Holdings- Senior Secured Notes- 11.5%, due 2017	\$ 223,052	\$ 224,400	\$ 223,390	\$ 224,400
IDQ Acq. Corp.- Senior Secured Notes- 14.0%, due 2017	\$ 46,351	\$ 46,800	\$ 46,464	\$ 46,800

The fair value of the Term Loan and Senior Notes was determined using broker quotes (Level 2). The broker quotes are determined on an analysis of discounted cash flows together with applicable forward LIBOR rates.

Note 5—Litigation and Other Legal Matters

The Company is subject to various lawsuits and claims relating to issues such as contract disputes, product liability, patents and trademarks, advertising, employee and other matters. Although the results of claims and litigation cannot be predicted with certainty, it is the opinion of management that the ultimate disposition of these matters will not have a material adverse effect, individually or in the aggregate, on the Company's financial position or results of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In connection with the Acquisition, Clorox retained liability associated with a potential contract claim and the Company has agreed to indemnify and reimburse Clorox for 50% of the first \$5.0 million in costs related to the contract claim. As of March 31, 2015 and December 31, 2014, the Company has accrued a \$2.5 million long-term liability related to this contingency, which is included in other liabilities on the consolidated balance sheets.

Note 6—Income Taxes

The company's effective tax rate was as follows:

	Three months ended	
	March 31, 2015	March 31, 2014
Effective tax rate	25.6%	24.6%

The Company's effective rate for 2015 differs from the statutory rate primarily due to differences in the foreign tax rates when compared to the statutory rate, changes in valuation allowances relating to certain foreign jurisdictions and uncertain tax positions. Other items impacting the Company's effective benefit rate relate primarily to deductible interest expense in the U.K., and adjustments resulting from the filing of the income tax returns.

Note 7—Subsequent Events

On April 28, 2015, AAG Parent entered into an Agreement and Plan of Merger (the "Merger Agreement") with Spectrum Brands Holdings, Inc. ("Spectrum Brands Holdings"), Ignite Merger Sub, Inc. ("Ignite"), a direct wholly owned subsidiary of Spectrum Brands, Inc., and Avista Capital Partners II GP, LLC, as representative of the stockholders and the optionholders of AAG Parent. Pursuant to the Merger Agreement, on May 20, 2015, Ignite merged with and into AAG Parent and with AAG Parent surviving the merger as a wholly owned subsidiary of Spectrum Brands Holdings, Inc. The merger consideration was approximately \$1.4 billion in cash and assumed debt (subject to customary adjustments for cash, debt and net working capital), as well as approximately \$56 million of transaction costs. Further, each share of common stock of AAG Parent issued and outstanding immediately prior to the effective time of the Merger was cancelled and converted automatically into the right to receive \$1.7696 in cash.

In connection with the closing of the Merger and immediately prior to the effective time of the Merger, each outstanding, unexpired and unexercised option to purchase shares of AAG Parent common stock (each, a "AAG Option"), that was granted under any equity incentive plan of AAG, including the 2010 Equity Incentive Plan (the "2010 Equity Plan"), whether or not then exercisable or vested, was accelerated, vested and cancelled and converted into the right to receive an amount in cash (subject to any applicable withholding taxes) equal to the product of (A) the total number of shares of AAG Parent common stock subject to such AAG Option as of immediately prior to the effective time of the Merger and (B) the excess, if any, of the Per Share Cash Merger Consideration over the exercise price per share (the "Option Price") of such AAG Option (the "Option Payment").

In connection with the closing of the Merger and immediately prior to the effective time of the Merger, each issued and outstanding share of AAG Parent Series A preferred stock, was cancelled and converted automatically into the right to receive; (i) \$1,000.00 liquidation value for each preferred share issued and outstanding and (ii) \$254.58 in accrued and unpaid dividends for each preferred share issued and outstanding at May 20, 2015.

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Effect of Merger on Debt

Credit Agreement

At the closing of the Merger, AAG's credit agreement was terminated, and paid in full and the balance due of approximately \$282 million was paid in full.

Change of Control Tender Offer

In June 2015, Spectrum redeemed any and all of the outstanding series of the: (i) \$275 million of Armored AutoGroup, Inc. 9.25% Senior Notes due November 1, 2018; (ii) the \$220 million of IDQ Holdings, Inc. 11.50% Senior Secured Notes due April 1, 2017; and (iii) the \$45 million of 14.00% Senior Secured Notes due October 1, 2017. The redemptions were completed in June 2015 and required Spectrum to pay: (i) \$1,046.25 per \$1,000 principal amount of the Armored AutoGroup, Inc. 9.25% Senior Notes, plus accrued and unpaid interest; (ii) \$1,047.50 per \$1,000 principal amount of the IDQ Holdings, Inc. 11.50% Senior Secured Notes, plus accrued and unpaid interest; (iii) \$1,070.00 per \$1,000 principal amount of the IDQ Holdings, Inc. 14.00% Senior Secured Notes, plus accrued and unpaid interest. On June 15, 2015, a payment of \$290.8 million, based on a principal amount of \$275 million of notes and \$12.7 million of accrued interest was paid. On June 22, 2015, a payment of \$287.9 million, based on a principal amount of \$265 million of notes and \$7.1 million of accrued interest was paid.

SPECTRUM BRANDS, INC.



Until _____, _____, all dealers effecting transactions in these securities, whether or not participating in this exchange offer, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions. No person has been authorized to give any information or to make any representation other than those contained in this prospectus, and, if given or made, any information or representations must not be relied upon as having been authorized. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy these securities in any circumstances in which this offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made under this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Delaware law permits a corporation to adopt a provision in its certificate of incorporation eliminating or limiting the personal liability of a director, but not an officer in his or her capacity as such, to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except that such provision shall not eliminate or limit the liability of a director for (1) any breach of the director's duty of loyalty to the corporation or its stockholders, (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) liability under section 174 of the Delaware General Corporation Law (the "DGCL") for unlawful payment of dividends or stock purchases or redemptions or (4) any transaction from which the director derived an improper personal benefit. Our certificate of incorporation provides that, to the fullest extent permitted under the DGCL, none of our directors will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director.

Under Section 145 of the DGCL, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such proceeding if: (1) he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and (2) with respect to any criminal action or proceeding, he or she had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit brought by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise, against expenses, including attorneys' fees, actually and reasonably incurred in connection with such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification will be made if the person is found liable to the corporation unless and to the extent that, in such a case, the court determines the person is nonetheless entitled to indemnification for such expenses. A corporation must also indemnify a present or former director or officer who has been successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, against expenses, including attorneys' fees, actually and reasonably incurred by him or her. Expenses, including attorneys' fees, incurred by a director, officer, employee or agent, in defending civil, criminal administrative or investigative actions, suits or proceedings may be paid by the corporation in advance of the final disposition of such actions, suits or proceedings upon, in the case of a current director or officer, receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by former directors or officers may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The provisions of Section 145 regarding indemnification and the advancement of expenses is not exclusive of any other rights a person may be entitled to under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 174 of the DGCL provides, among other things, that a director, who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable

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for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing the minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

Our certificate of incorporation and bylaws generally provide for mandatory indemnification of directors and officers to the fullest extent permitted by law.

Delaware law also provides that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other entity, against any liability asserted against and incurred by such person, whether or not the corporation would have the power to indemnify such person against such liability. We will maintain, at our expense, an insurance policy that insures our officers and directors, subject to customary exclusions and deductions, against specified liabilities that may be incurred in those capacities.

Item 21. Exhibits and Financial Statement Schedules

(a) Exhibits

See the Exhibit Index immediately following the signature pages included in this Registration Statement.

(b) Financial Statement Schedules

Schedules for the years ended September 30, 2014, 2013 and 2012, are as follows:

Schedule II—Consolidated valuation and qualifying accounts.

Schedule I, III, IV, and V are not applicable and have therefore been omitted.

Item 22. Undertakings

(a) Each of the undersigned registrants hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the “Securities Act”);
- (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission (the “SEC”) pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and
- (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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- (2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;
- (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;
- (4) that, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (5) that, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (b) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.
- (c) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.
- (d) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

SPECTRUM BRANDS, INC.

By: /s/ Andreas Rouvé
Andreas Rouvé
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Andreas Rouvé</u> Andreas Rouvé	President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Executive Vice President, Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

AA GROUP (U.S.)—A LLC

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

AA GROUP (U.S.)—B LLC

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

AAG IDQ ACQUISITION CORPORATION

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

APPLICA MEXICO HOLDINGS, INC.

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President, General Counsel, and
Corporate Secretary

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Steven M. Fraundorfer</u> Steven M. Fraundorfer	President (Principal Executive Officer)
<u>/s/ John Beattie</u> John Beattie	Vice President and Director (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

ARMORED AUTOGROUP INC.

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

ARMORED AUTOGROUP INTERMEDIATE INC.

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Director and Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

ARMORED AUTOGROUP PARENT INC.

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

ARMORED AUTOGROUP SALES INC.

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

IDQ ACQUISITION CORP.

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

IDQ HOLDINGS, INC.

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

IDQ OPERATING, INC.

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

NATIONAL MANUFACTURING MEXICO A, LLC

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President, Secretary and General Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Philip S. Szuba</u> Philip S. Szuba	President (Principal Executive Officer)
<u>/s/ Brent A. Esplin</u> Brent A. Esplin	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
SPECTRUM BRANDS, INC.	Sole Member

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

NATIONAL MANUFACTURING MEXICO B, LLC

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President, Secretary and General Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Philip S. Szuba</u> Philip S. Szuba	President (Principal Executive Officer)
<u>/s/ Brent A. Esplin</u> Brent A. Esplin	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
SPECTRUM BRANDS, INC.	Sole Member

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

NATIONAL OPENINGS, LLC

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Philip S. Szuba</u> Philip S. Szuba	Chairman and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Brent A. Esplin</u> Brent A. Esplin	Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)

SPECTRUM BRANDS, INC. Sole Member

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

ROV HOLDING, INC.

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Senior Vice President and Secretary

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Andreas Rouvé</u> Andreas Rouvé	Chief Executive Officer (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Executive Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

ROV INTERNATIONAL HOLDINGS LLC

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President and Secretary

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Andreas Rouvé</u> Andreas Rouvé	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Executive Vice President (Principal Financial Officer and Principal Accounting Officer)
ROV HOLDING, INC.	Sole Member
By: <u>/s/ Nathan E. Fagre</u> Name: Nathan E. Fagre Title: Senior Vice President and Secretary	

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

SALIX ANIMAL HEALTH, LLC

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Senior Vice President, Secretary and General Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Randy Lewis</u> Randy Lewis	President (Principal Executive Officer)
<u>/s/ John Beattie</u> John Beattie	Vice President and Treasurer (Principal Financial Officer and Principal Accounting Officer)
SPECTRUM BRANDS, INC.	Sole Member

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

SB/RH HOLDINGS, LLC

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Senior Vice President, Secretary and General Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Andreas Rouvé</u> Andreas Rouvé	President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Executive Vice President, Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)
SPECTRUM BRANDS HOLDING, INC.	Sole Member

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

SCHULTZ COMPANY

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Randy Lewis</u> Randy Lewis	President (Principal Executive Officer)
<u>/s/ Robert D. Miller</u> Robert D. Miller	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

STP PRODUCTS MANUFACTURING COMPANY

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

THE ARMOR ALL/STP PRODUCTS COMPANY

By: /s/ Nathan E. Fagre

Nathan E. Fagre
Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Guy Andrysick</u> Guy Andrysick	President (Principal Executive Officer)
<u>/s/ Douglas L. Martin</u> Douglas L. Martin	Vice President (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Middleton, State of Wisconsin, on the 21st day of September, 2015.

UNITED INDUSTRIES CORPORATION

By: /s/ Nathan E. Fagre
Nathan E. Fagre
Vice President and Assistant Secretary

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints John Beattie or Nathan E. Fagre or either of them his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agent, proxy and attorney-in-fact full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below on September 21, 2015 by the following persons in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Randy Lewis</u> Randy Lewis	President (Principal Executive Officer)
<u>/s/ Robert D. Miller</u> Robert D. Miller	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ John Beattie</u> John Beattie	Director
<u>/s/ Nathan E. Fagre</u> Nathan E. Fagre	Director

EXHIBIT INDEX

Exhibit 2.1	Acquisition Agreement, dated October 8, 2012, by and between Spectrum Brands, Inc. and Stanley Black & Decker, Inc. (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands, Inc. on October 12, 2012).
Exhibit 2.2	Agreement and Plan of Merger Acquisition Agreement, dated as of April 28, 2015 between Spectrum Brands Holdings, Inc., Armored AutoGroup Parent Inc., Ignite Merger Sub, Inc. and Avista Capital Partners II GP, LLC, as representative for the shareholders and optionholders of Armored AutoGroup Parent Inc. (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on April 29, 2015).
Exhibit 3.1	Certificate of Incorporation of Spectrum Brands, Inc. (incorporated herein by reference to Exhibit 3.2 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.2*	Amended and Restated Bylaws of Spectrum Brands, Inc.
Exhibit 3.3*	Certificate of Formation of AA Group (U.S.)—A LLC.
Exhibit 3.4*	Limited Liability Company Agreement of AA Group (U.S.)—A LLC.
Exhibit 3.5*	Certificate of Formation of AA Group (U.S.)—B LLC.
Exhibit 3.6*	Limited Liability Company Agreement of AA Group (U.S.)—B LLC.
Exhibit 3.7*	Certificate of Incorporation of AAG IDQ Acquisition Corporation.
Exhibit 3.8*	Bylaws of AAG IDQ Acquisition Corporation.
Exhibit 3.9	Certificate of Incorporation of Applica Mexico Holdings, Inc. (incorporated herein by reference to Exhibit 3.5 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.10	Bylaws of Applica Mexico Holdings, Inc. (incorporated herein by reference to Exhibit 3.6 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.11*	Amended and Restated Certificate of Incorporation of Armored AutoGroup Inc.
Exhibit 3.12*	By-laws of Armored AutoGroup Inc.
Exhibit 3.13*	Amended and Restated Certificate of Incorporation of Armored AutoGroup Intermediate Inc.
Exhibit 3.14*	By-laws of Armored AutoGroup Intermediate Inc.
Exhibit 3.15*	Amended and Restated Certificate of Incorporation of Armored AutoGroup Parent Inc.
Exhibit 3.16*	Amended and Restated By-laws of Armored AutoGroup Parent Inc.
Exhibit 3.17*	Amended and Restated Certificate of Incorporation of Armored AutoGroup Sales Inc.
Exhibit 3.18*	By-laws of Armored AutoGroup Sales Inc.
Exhibit 3.19*	Amended and Restated Certificate of Incorporation of IDQ Acquisition Corp.
Exhibit 3.20*	By-laws of IDQ Acquisition Corp.
Exhibit 3.21*	Second Amended and Restated Certificate of Incorporation of IDQ Holdings, Inc.
Exhibit 3.22*	By-laws of IDQ Holdings, Inc.

Table of Contents

Exhibit 3.23*	Certificate of Incorporation of IDQ Operating, Inc.
Exhibit 3.24*	Amended and Restated Bylaws of IDQ Operating, Inc.
Exhibit 3.25	Certificate of Formation of National Manufacturing Mexico A, LLC (incorporated herein by reference to Exhibit 3.19 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.26	Limited Liability Company Agreement of National Manufacturing Mexico A, LLC (incorporated herein by reference to Exhibit 3.20 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.27	Certificate of Formation of National Manufacturing Mexico B, LLC (incorporated herein by reference to Exhibit 3.21 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.28	Limited Liability Company Agreement of National Manufacturing Mexico B, LLC (incorporated herein by reference to Exhibit 3.22 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.29*	Certificate of Organization of National Openings, LLC.
Exhibit 3.30*	Amended & Restated Operating Agreement of National Openings, LLC.
Exhibit 3.31	Amended and Restated Certificate of Incorporation of ROV Holding, Inc. (incorporated herein by reference to Exhibit 3.25 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.32	Bylaws of ROV Holding, Inc. (incorporated herein by reference to Exhibit 3.26 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.33	Certificate of Formation of ROV International Holdings LLC (incorporated herein by reference to Exhibit 3.27 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.34	Operating Agreement of ROV International Holdings LLC (incorporated herein by reference to Exhibit 3.28 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.35*	Amended and Restated Articles of Organization of Salix Animal Health, LLC.
Exhibit 3.36*	Amended and Restated Operating Agreement of Salix Animal Health, LLC.
Exhibit 3.37	Certificate of Formation of SB/RH Holdings, LLC (incorporated herein by reference to Exhibit 3.29 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.38	Operating Agreement of SB/RH Holdings, LLC (incorporated herein by reference to Exhibit 3.30 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.39*	Amended and Restated Articles of Incorporation of Schultz Company.
Exhibit 3.40	Bylaws of Schultz Company (incorporated herein by reference to Exhibit 3.32 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 3.41*	Certificate of Incorporation of STP Products Manufacturing Company.
Exhibit 3.42*	Amended and Restated By-laws of STP Products Manufacturing Company.

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Exhibit 3.43*	Certificate of Incorporation of The Armor All/STP Products Company.
Exhibit 3.44*	Amended and Restated By-laws of The Armor All/STP Products Company.
Exhibit 3.45*	Amended and Restated Certificate of Incorporation of United Industries Corporation.
Exhibit 3.46	Bylaws of United Industries Corporation (incorporated herein by reference to Exhibit 3.36 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013).
Exhibit 4.1	Indenture governing Spectrum Brands, Inc.'s 6.375% Senior Notes due 2020 and 6.625% Senior Notes due 2022, dated as of November 16, 2012, between Spectrum Brands Escrow Corp. and US Bank National Association, as trustee (filed by incorporation by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands, Inc. on November 21, 2012).
Exhibit 4.2	Indenture governing Spectrum Brands, Inc.'s 6.125% Senior Notes due 2024, dated as of December 4, 2014, among Spectrum Brands, Inc., the guarantors named therein and US Bank National Association, as trustee (filed by incorporation by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on December 8, 2014).
Exhibit 4.3	Indenture governing Spectrum Brands, Inc.'s 5.750% Senior Notes due 2025, dated as of May 20, 2015, among Spectrum Brands, Inc., the guarantors named therein and US Bank National Association, as trustee (filed by incorporation by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on May 20, 2015).
Exhibit 5.1*	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison, LLP.
Exhibit 5.2*	Opinion of Barnes & Thornburg LLP, special Pennsylvania counsel.
Exhibit 5.3*	Opinion of Thompson Coburn LLP, special Missouri counsel.
Exhibit 5.4*	Opinion of Quarles & Brady LLP, special Florida counsel.
Exhibit 8.1*	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison, LLP regarding certain tax matters.
Exhibit 10.1	2009 Spectrum Brands, Inc. Incentive Plan (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands, Inc. on August 31, 2009).
Exhibit 10.2	Form of Spectrum Brands, Inc. Restricted Stock Award Agreement under the 2009 Incentive Plan (filed by incorporation by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands, Inc. on October 28, 2009).
Exhibit 10.3	Stockholder Agreement, dated as of February 9, 2010, by and among Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Funds, L.P., Global Opportunities Breakaway Ltd., and SB/RH Holdings, Inc. (filed by incorporation by reference to Exhibit 10.5 to the Current Report on form 8-K filed with the SEC by Spectrum Brands, Inc. on February 12, 2010).
Exhibit 10.4	Registration Rights Agreement, dated as of February 9, 2010, by and among Spectrum Brands Holdings, Inc., Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd., Avenue International Master, L.P., Avenue Investments, L.P., Avenue Special Situations Fund IV, L.P., Avenue Special Situations Fund V, L.P. and Avenue-CDP Global Opportunities Fund, L.P. (filed by incorporation by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands Holdings, Inc. on March 29, 2010).

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Exhibit 10.5	Registration Rights Agreement, dated as of December 4, 2014 by and among Spectrum Brands, Inc., the guarantors party thereto and the investors listed on the signature pages thereto, with respect to the 6.125% Notes (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on December 8, 2014).
Exhibit 10.6	Registration Rights Agreement, dated as of May 20, 2015, by and among Spectrum Brands, Inc., the guarantors party thereto and the investors listed on the signature pages thereto, with respect to the 5.750% Notes (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on May 20, 2015).
Exhibit 10.7	Credit Agreement, dated as of June 23, 2015, by and among Spectrum Brands, Inc., SB/RH Holdings, LLC, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by SB/RH Holdings, LLC on June 23, 2015).
Exhibit 10.8	Security Agreement, dated as of June 23, 2015, by and among Spectrum Brands, Inc., SB/RH Holdings, LLC, the subsidiary guarantors party thereto from time to time and Deutsche Bank AG New York Branch, as collateral agent (filed by incorporation by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC by SB/RH Holdings, LLC on June 23, 2015).
Exhibit 10.9	Loan Guaranty, dated as of June 23, 2015, by and among SB/RH Holdings, LLC, the subsidiary guarantors party thereto from time to time and Deutsche Bank AG New York Branch, as administrative agent and collateral agent (filed by incorporation by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC by SB/RH Holdings, LLC on June 23, 2015).
Exhibit 10.10	Amended and Restated Employment Agreement, entered into as of August 11, 2010, by and among Spectrum Brands, Inc., Spectrum Brands Holdings, Inc. and David R. Lumley (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on August 17, 2010).
Exhibit 10.11	First Amendment, dated as of November 16, 2010, to the Employment Agreement, dated as of August 11, 2010, by and among Spectrum Brands, Inc., Spectrum Brands Holdings, Inc. and David R. Lumley (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on November 22, 2010).
Exhibit 10.12	Retention Agreement, entered into as of April 29, 2014, by and between Spectrum Brands, Inc. and Anthony Genito (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on May 5, 2014).
Exhibit 10.13	Employment Agreement, effective June 9, 2008, by and between Spectrum Brands, Inc. and Anthony L. Genito (filed by incorporation by reference to Exhibit 10.15 to the Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2008, filed with the SEC by Spectrum Brands, Inc. on August 8, 2008).
Exhibit 10.14	Amendment to the Employment Agreement, effective as of February 24, 2009, by and between Spectrum Brands, Inc. and Anthony L. Genito (filed by incorporation by reference to Exhibit 10.22 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2010, filed with the SEC by Spectrum Brands, Inc. on December 29, 2009).
Exhibit 10.15	Description of Second Amendment to the Employment Agreement, effective as of August 28, 2009, by and between Spectrum Brands, Inc. and Anthony L. Genito (filed by incorporation by reference to Exhibit 10.23 to the Annual Report on Form 10-K filed with the SEC by Spectrum Brands, Inc. on December 29, 2009).

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Exhibit 10.16	Third Amendment, dated as of November 16, 2010, to the Employment Agreement, dated as of June 9, 2008, by and among Spectrum Brands, Inc. and Anthony L. Genito (filed by incorporation by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on November 22, 2010).
Exhibit 10.17	Employment Agreement dated September 1, 2014 between Spectrum Brands, Inc. and Douglas L. Martin (filed by incorporation by reference to Exhibit 99.1 to the Current Report on Form 8-K/A filed with the SEC by Spectrum Brands Holdings, Inc. on September 2, 2014).
Exhibit 10.18	Spectrum Brands Holdings, Inc. 2007 Omnibus Equity Award Plan (formerly known as the Russell Hobbs, Inc. 2007 Omnibus Equity Award Plan) (filed by incorporation by reference to Exhibit 10.1 to the Registration Statement on Form S-8 filed with the SEC by Spectrum Brands Holdings, Inc. on June 16, 2010).
Exhibit 10.19	Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan, as amended on January 28, 2014 (filed by incorporation by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on February 3, 2014).
Exhibit 10.20	Severance Agreement, dated as of November 19, 2012, by and between Spectrum Brands, Inc. and Nathan E. Fagre (filed by incorporation by reference to Exhibit 10.47 to the Annual Report on Form 10-K filed with the SEC by Spectrum Brands, Inc. on November 21, 2012).
Exhibit 10.21	Separation Agreement dated December 28, 2012 between Spectrum Brands, Inc. and John Heil (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 3, 2012).
Exhibit 10.22	Registered Director's Agreement, dated as of August 27, 2007, by and between Andreas Rouve and Rayovac Europe GmbH, as amended on October 1, 2007 (filed by incorporation by reference to Exhibit 99.2 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on February 11, 2014).
Exhibit 10.23	Separation Agreement dated September 16, 2013 between Spectrum Brands, Inc. and Terry Polistina (filed by incorporation by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands, Inc. on September 20, 2013).
Exhibit 10.24	Transition Employment Agreement dated January 8, 2015, by and between Spectrum Brands, Inc., Spectrum Brands Holdings, Inc. and David R. Lumley (filed by incorporation by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands Holdings, Inc. on February 5, 2015).
Exhibit 10.25	Employment Agreement, dated March 16, 2015, among Spectrum Brands Holdings, Inc., Spectrum Brands, Inc. and Andreas Rouve (filed by incorporation by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands Holdings, Inc. on May 1, 2015).
Exhibit 21.1*	Subsidiaries of Registrant.
Exhibit 23.1*	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
Exhibit 23.2*	Consent of Ernst & Young LLP, Independent Auditor.
Exhibit 23.3*	Consent of Paul, Weiss, Rifkind, Wharton & Garrison LLP (included as part of Exhibits 5.1 and 8.1).
Exhibit 23.4*	Consent of Barnes & Thornburg LLP (included as part of Exhibit 5.2).
Exhibit 23.5*	Consent of Thompson Coburn LLP (included as part of Exhibit 5.3).

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Exhibit 23.6*	Consent of Quarles & Brady LLP (included as part of Exhibit 5.4).
Exhibit 24.1*	Power of Attorney (included in signature pages).
Exhibit 25.1*	Statement of eligibility and qualification on Form T-1 of U.S. Bank National Association, with respect to the indenture governing the 6.125% Senior Notes due 2024.
Exhibit 25.2*	Statement of eligibility and qualification on Form T-1 of U.S. Bank National Association, with respect to the indenture governing the 5.750% Senior Notes due 2025.
Exhibit 99.1*	Letter of Transmittal.
Exhibit 99.2*	Notice of Guaranteed Delivery.
Exhibit 99.3*	Letter to Registered Holders.
101.INS	XBRL Instance Document (incorporated by reference to Exhibit 101.INS to the Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC by SB/RH Holdings, LLC on November 21, 2014, and Exhibit 101.INS to the Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2015, filed with the SEC by SB/RH Holdings, LLC on August 6, 2015).
101.SCH	XBRL Taxonomy Extension Schema Document (incorporated by reference to Exhibit 101.SCH to the Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC by SB/RH Holdings, LLC on November 21, 2014 and Exhibit 101.SCH to the Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2015, filed with the SEC by SB/RH Holdings, LLC on August 6, 2015).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (incorporated by reference to Exhibit 101.CAL to the Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC by SB/RH Holdings, LLC on November 21, 2014 and Exhibit 101.CAL to the Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2015, filed with the SEC by SB/RH Holdings, LLC on August 6, 2015).
101.DEF	XBRL Taxonomy Extension Definition Document (incorporated by reference to Exhibit 101.DEF to the Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC by SB/RH Holdings, LLC on November 21, 2014 and Exhibit 101.DEF to the Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2015, filed with the SEC by SB/RH Holdings, LLC on August 6, 2015).
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (incorporated by reference to Exhibit 101.LAB to the Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC by SB/RH Holdings, LLC on November 21, 2014 and Exhibit 101.LAB to the Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2015, filed with the SEC by SB/RH Holdings, LLC on August 6, 2015).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (incorporated by reference to Exhibit 101.PRE to the Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC by SB/RH Holdings, LLC on November 21, 2014 and Exhibit 101.PRE to the Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2015, filed with the SEC by SB/RH Holdings, LLC on August 6, 2015).

* Filed herewith.

AMENDED AND RESTATED BY-LAWS

of

SPECTRUM BRANDS, INC.

(A Delaware Corporation)

ARTICLE 1

DEFINITIONS

As used in these By-laws, unless the context otherwise requires, the term:

1.1 "Assistant Secretary" means an Assistant Secretary of the Corporation.

1.2 "Assistant Treasurer" means an Assistant Treasurer of the Corporation.

1.3 "Board" means the Board of Directors of the Corporation.

1.4 "By-laws" means these Amended and Restated By-laws of the Corporation, as amended or restated from time to time.

1.5 "Certificate of Incorporation" means the initial certificate of incorporation of the Corporation, as amended, supplemented or restated from time to time.

1.6 "Chairperson" means the Chairperson of the Board of Directors of the Corporation.

1.7 "Corporation" means Spectrum Brands, Inc.

1.8 "Directors" means directors of the Corporation.

1.9 "Entire Board" means all then authorized directors of the Corporation.

1.10 "General Corporation Law" means the General Corporation Law of the State of Delaware, as amended from time to time.

1.11 "Office of the Corporation" means the executive office of the Corporation, anything in Section 131 of the General Corporation Law to the contrary notwithstanding.

1.12 "President" means the President of the Corporation.

1.13 "Secretary" means the Secretary of the Corporation.

1.14 "Stockholders" means the stockholders of the Corporation.

1.15 "Treasurer" means the Treasurer of the Corporation.

1.16 "Vice President" means a Vice President of the Corporation.

ARTICLE 2

STOCKHOLDERS

2.1 Place of Meetings. Every meeting of Stockholders may be held at such place, within or outside the State of Delaware, as may be designated by resolution of the Board from time to time. The Board may, in its sole discretion, determine that the meeting of Stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Delaware law.

2.2 Annual Meeting. If required by applicable law, a meeting of Stockholders shall be held annually for the election of Directors at such date and time as may be designated by resolution of the Board from time to time. Any other business as may be properly brought before the annual meeting may be transacted at such meeting.

2.3 Special Meetings. Unless otherwise prescribed by applicable law, special meetings of Stockholders may be called at any time by the Board and may not be called by any other person or persons. Business transacted at any special meeting of Stockholders shall be limited to the purpose stated in the notice.

2.4 Fixing Record Date. For the purpose of (a) determining the Stockholders entitled (i) to notice of or to vote at any meeting of Stockholders or any adjournment thereof, (ii) unless otherwise provided in the Certificate of Incorporation, to express consent to corporate action in writing without a meeting or (iii) to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock; or (b) any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date was adopted by the Board and which record date, unless otherwise required by applicable law, shall not be (x) in the case of clause (a)(i) above, more than 60 nor less than 10 days before the date of such meeting, (y) in the case of clause (a)(ii) above, more than 10 days after the date upon which the resolution fixing the record date was adopted by the Board and (z) in the case of clause (a)(iii) or (b) above, more than 60 days prior to such action. If no such record date is fixed:

2.4.1 the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

2.4.2 the record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting (unless otherwise provided in the Certificate of Incorporation), when no prior action by the Board is required by applicable law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law; and when prior action by the Board is required by applicable law, the record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board adopts the resolution taking such prior action; and

2.4.3 the record date for determining Stockholders for any purpose other than those specified in Sections 2.4.1 and 2.4.2 shall be at the close of business on the day on which the Board adopts the resolution relating thereto. When a determination of Stockholders of record entitled to notice of or to vote at any meeting of Stockholders has been made as provided in this Section 2.4, such determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting.

2.5 Notice of Meetings of Stockholders. Whenever under the provisions of applicable law, the Certificate of Incorporation or these By-laws, Stockholders are required or permitted to take any action at a meeting, notice shall be given stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by applicable law, the Certificate of Incorporation or these By-laws, notice of any meeting shall be given, not less than 10 nor more than 60 days before the date of the meeting, to each Stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage prepaid, directed to the Stockholder at his or her address as it appears on the records of the Corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the Corporation that the notice required by this Section 2.5 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. Any meeting of Stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted at the meeting as originally called. If, however, the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting.

2.6 Waivers of Notice. Whenever the giving of any notice to Stockholders is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, given by the person entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Stockholder at a

meeting shall constitute a waiver of notice of such meeting except when the Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Stockholders need be specified in any waiver of notice unless so required by applicable law, the Certificate of Incorporation or these By-laws.

2.7 List of Stockholders. The Secretary shall prepare and make, at least 10 days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list shall be open to the examination of any Stockholder, the Stockholder's agent, or attorney, at the Stockholder's expense, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation, or on a reasonably accessible electronic network as provided by applicable law. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for examination as provided by applicable law. Except as provided by applicable law, the stock ledger shall be the only evidence as to who are the Stockholders entitled to examine the stock ledger, the list of Stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

2.8 Quorum of Stockholders; Adjournment. Except as otherwise provided by applicable law, the Certificate of Incorporation or these By-laws, at each meeting of Stockholders, the presence in person or by proxy of the holders of a majority in voting power of all outstanding shares of stock entitled to vote at the meeting of Stockholders, shall constitute a quorum for the transaction of any business at such meeting. In the absence of a quorum, the holders of a majority in voting power of the shares of stock present in person or represented by proxy at any meeting of Stockholders, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place.

2.9 Voting; Proxies. Unless otherwise provided in the Certificate of Incorporation, every Stockholder entitled to vote at any meeting of Stockholders shall be entitled to one vote for each share of stock held by such Stockholder which has voting power upon the matter in question. At any meeting of Stockholders, all matters, except as otherwise provided by the Certificate of Incorporation, these By-laws, the rules and regulations of any stock exchange applicable to the Corporation, applicable law or pursuant to any rules or regulations applicable to the Corporation or its securities, shall be decided by the affirmative vote of a majority in voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of Stockholders for the election of Directors, a plurality of the votes cast shall be sufficient to elect. Each Stockholder entitled to vote at a meeting of Stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Stockholder by proxy but no

such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A Stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new proxy bearing a later date.

2.10 Voting Procedures and Inspectors of Election at Meetings of Stockholders. The Board, in advance of any meeting of Stockholders, may, and shall if required by applicable law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting may, and shall if required by applicable law, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies or votes, or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a Stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

2.11 Conduct of Meetings; Organization. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of Stockholders as it shall deem appropriate. At each meeting of Stockholders, the President, or in the absence of the President, the Chairperson, or if there is no Chairperson or if there be one and the Chairperson is absent, a Vice President, and in case more than one Vice President shall be present, that Vice President designated by the Board (or in the absence of any such designation, the most senior Vice President, based on age, present), shall preside over the meeting. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of Stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules,

regulations or procedures, whether adopted by the Board or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to Stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding officer at any meeting of Stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding officer should so determine, such person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of Stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The Secretary, or in his or her absence, one of the Assistant Secretaries, shall act as secretary of the meeting. In case none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting, respectively, shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board, and in case the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, designated by the person presiding over the meeting.

2.12 Order of Business. The order of business at all meetings of Stockholders shall be as determined by the person presiding over the meeting.

2.13 Written Consent of Stockholders Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required by the General Corporation Law to be taken at any annual or special meeting of Stockholders, or any action which may be taken at any annual or special meeting of Stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Every written consent shall bear the date of signature of each Stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.13, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those Stockholders

who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

ARTICLE 3

DIRECTORS

3.1 General Powers. Except as otherwise provided in the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or these By-laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation. In addition to the powers expressly conferred by these By-laws, the Board may exercise all powers and perform all acts that are not required, by these By-laws or the Certificate of Incorporation or by statute, to be exercised and performed by the Stockholders.

3.2 Number; Qualification; Term of Office. The Board shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board. Directors need not be Stockholders. Each Director shall hold office until a successor is duly elected and qualified or until the Director's earlier death, resignation, disqualification or removal.

3.3 Newly Created Directorships and Vacancies. Unless otherwise provided by applicable law or the Certificate of Incorporation, any newly created directorships resulting from an increase in the authorized number of Directors and vacancies occurring in the Board for any cause, may be filled by the affirmative votes of a majority of the remaining members of the Board, although less than a quorum, or by a sole remaining Director, or may be elected by a plurality of the votes cast. A Director so elected shall be elected to hold office until the expiration of the term of office of the Director whom he or she has replaced or until a successor is elected and qualified, or until the Director's earlier death, resignation, disqualification or removal.

3.4 Resignation. Any Director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the time therein specified, and, unless otherwise specified in such resignation, the acceptance of such resignation shall not be necessary to make it effective.

3.5 Removal. Subject to the provisions of Section 141(k) of the General Corporation Law, any or all of the Directors may be removed with or without cause by vote of the holders of a majority of the shares then entitled to vote at an election of Directors.

3.6 Compensation. Each Director, in consideration of his or her service as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at Directors' meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in connection with the performance of his or her duties. Each Director who shall serve as a member of any committee of Directors in consideration of serving as such shall be entitled to such additional amount per annum or such fees for attendance at committee meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in the performance of his or her duties. Nothing contained in this Section 3.6 shall preclude any Director from serving the Corporation or its subsidiaries in any other capacity and receiving proper compensation therefor.

3.7 Regular Meetings. Regular meetings of the Board may be held without notice at such times and at such places within or without the State of Delaware as may be determined from time to time by resolution of the Board.

3.8 Special Meetings. Special meetings of the Board may be held at such times and at such places within or without the State of Delaware whenever called by the Chairperson, the President or the Secretary or by any two or more Directors then serving as Directors on at least 24 hours' notice to each Director given by one of the means specified in Section 3.11 hereof other than by mail, or on at least three days' notice if given by mail. Special meetings shall be called by the Chairperson, President or Secretary in like manner and on like notice on the written request of any two or more of the Directors then serving as Directors.

3.9 Telephone or Web-based Meetings. Directors or members of any committee designated by the Board may participate in a meeting of the Board or of such committee by means of conference telephone, web-based, or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.9 shall constitute presence in person at such meeting.

3.10 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 3.11 hereof other than by mail, or at least three days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

3.11 Notice Procedure. Subject to Sections 3.8 and 3.12 hereof, whenever, under applicable law, the Certificate of Incorporation or these By-laws, notice is required to be given to any Director, such notice shall be deemed given effectively if given in person or by telephone, by mail addressed to such Director at such Director's address as it appears on the records of the Corporation, with postage thereon prepaid, or by telegram, teletype or, if consented to by the Director to whom notice is given, by other means of electronic transmission.

3.12 Waiver of Notice. Whenever the giving of any notice to Directors is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, given by the Director entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors or a committee of Directors need be specified in any waiver of notice unless so required by applicable law, the Certificate of Incorporation or these By-laws.

3.13 Organization. At each meeting of the Board, the Chairperson, or in the absence of the Chairperson, the President, or in the absence of the President, a chairperson chosen by a majority of the Directors present, shall preside. The Secretary shall act as secretary at each meeting of the Board. In case the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.14 Quorum of Directors. The presence in person of one-third (1/3) of the Entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

3.15 Action by Majority Vote. Except as otherwise expressly required by applicable law, the Certificate of Incorporation or these By-laws, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

3.16 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE 4

COMMITTEES OF THE BOARD

The Board may, by resolution, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or

members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law and to the extent provided in the resolution of the Board designating such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. Unless otherwise specified in the resolution of the Board designating a committee, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article 3 of these By-laws.

ARTICLE 5

OFFICERS

5.1 Positions. The officers of the Corporation shall be a President, a Secretary, a Treasurer and such other officers as the Board may elect, including a Chairperson, one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers, who shall exercise such powers and perform such duties as shall be determined from time to time by resolution of the Board. The Board may elect one or more Vice Presidents as Executive or Senior Vice Presidents or General Managers and may use descriptive words or phrases to designate the standing, seniority or areas of special competence of the Vice Presidents elected or appointed by it. Any number of offices may be held by the same person unless the Certificate of Incorporation or these By-laws otherwise provide.

5.2 Compensation. The compensation of all officers of the Corporation shall be fixed by the Board or by any officer authorized by the Board to fix such compensation. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that the officer is also a Director.

5.3 Election. The officers of the Corporation shall be elected by the Board at its annual meeting or at such other time or times as the Board shall determine.

5.4 Term of Office. Each officer of the Corporation shall hold office for the term for which he or she is elected and until such officer's successor is elected and qualifies or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The resignation of

an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer may be removed at any time, with or without cause by the Board. Any vacancy occurring in any office of the Corporation may be filled by the Board. The removal of an officer with or without cause shall be without prejudice to the officer's contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

5.5 Fidelity Bonds. The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

5.6 Chairperson. The Chairperson, if one shall have been appointed, shall preside at all meetings of the Board and shall exercise such powers and perform such other duties as shall be determined from time to time by resolution of the Board.

5.7 President. The President shall be the Chief Executive Officer of the Corporation and shall have general supervision over the business of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of the Board. The President shall preside at all meetings of the Stockholders and at all meetings of the Board at which the Chairperson (if there be one) is not present. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed and, in general, the President shall perform all duties incident to the office of President of a corporation and such other duties as may from time to time be assigned to the President by resolution of the Board.

5.8 Vice Presidents. At the request of the President, or, in the President's absence, at the request of the Board, the Vice Presidents shall (in such order as may be designated by the Board, or, in the absence of any such designation, in order of seniority based on age) perform all of the duties of the President and, in so performing, shall have all the powers of, and be subject to all restrictions upon, the President. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed, and each Vice President shall perform such other duties as from time to time may be assigned to such Vice President by resolution of the Board or by the President.

5.9 Secretary. The Secretary shall attend all meetings of the Board and of the Stockholders and shall record all the proceedings of the meetings of the Board and of the Stockholders in a book to be kept for that purpose, and shall perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and of the Stockholders and shall perform such other duties as may be prescribed by the Board or by the President, under whose supervision the Secretary shall be. The Secretary shall have custody of the corporate seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix the same on any instrument requiring it, and

when so affixed, the seal may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The Board may, by resolution, give general authority to any other officer to affix the seal of the Corporation and to attest the same by such officer's signature. The Secretary or an Assistant Secretary may also attest all instruments signed by the President or any Vice President. The Secretary shall have charge of all the books, records and papers of the Corporation relating to its organization and management, shall see that the reports, statements and other documents required by applicable law are properly kept and filed and, in general, shall perform all duties incident to the office of Secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by resolution of the Board or by the President.

5.10 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys and valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board; against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositories of the Corporation signed in such manner as shall be determined by the Board and be responsible for the accuracy of the amounts of all moneys so disbursed; regularly enter or cause to be entered in books or other records maintained for the purpose full and adequate account of all moneys received or paid for the account of the Corporation; have the right to require from time to time reports or statements giving such information as the Treasurer may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same; render to the President or the Board, whenever the President or the Board shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all financial transactions of the Corporation; disburse the funds of the Corporation as ordered by the Board; and, in general, perform all duties incident to the office of Treasurer of a corporation and such other duties as may from time to time be assigned to the Treasurer by resolution of the Board or by the President.

5.11 Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers, if either shall have been appointed, shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by resolution of the Board or by the President.

ARTICLE 6

INDEMNIFICATION

6.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she,

or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (an "Other Entity"), including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board.

6.2 Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article 6 or otherwise.

6.3 Claims. If a claim for indemnification or advancement of expenses under this Article 6 is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

6.4 Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article 6 shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

6.5 Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of an Other Entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such Other Entity.

6.6 Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article 6 shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

6.7 Other Indemnification and Prepayment of Expenses. This Article 6 shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE 7

GENERAL PROVISIONS

7.1 Certificates Representing Shares. The shares of the Corporation shall be represented by certificates unless the Board shall by resolution provide that some or all of any class or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the Corporation. Notwithstanding the adoption of any resolution providing for uncertificated shares, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairperson, if any, or the President or a Vice President and by the Secretary or an Assistant Treasurer, representing the number of shares registered in certificate form.

7.2 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

7.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

7.4 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

7.5 Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board.

7.7 Amendments. These By-laws may be altered, amended or repealed and new By-laws may be adopted by the Board, but the Stockholders may make additional By-laws and may alter and repeal any By-laws whether adopted by them or otherwise.

7.8 Conflict with Applicable Law or Certificate of Incorporation. These By-laws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these By-laws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

7.9 Dividends. Subject to the restrictions contained in the General Corporation Law and any restrictions contained in the certificate of incorporation of the Corporation, the Board may declare and pay dividends upon the shares of capital stock of the Corporation.

7.10 Contracts. Except as otherwise provided in these By-laws, the Board may authorize any officer or officers, or any agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the Corporation and such authority may be general or confined to specific instances.

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:30 AM 11/03/2010
FILED 08:23 AM 11/03/2010
SRV 101050273 – 4892696 FILE

CERTIFICATE OF FORMATION

OF

ARMORED AUTOGROUP (U.S.) LLC

This Certificate of Formation of Armored AutoGroup (U.S.) LLC (the "LLC") has been duly executed and is being filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Act (6 Del. C. § 18-101, et. seq.).

FIRST. The name of the limited liability company formed hereby is Armored AutoGroup (U.S.), LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Formation as of the 3rd day of November, 2010.

By: /s/ David N. Britsch
David N. Britsch, Authorized Person

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF FORMATION

OF

ARMORED AUTOGROUP (U.S.) LLC

FIRST: The name of the limited liability company is Armored AutoGroup (U.S.) LLC.

SECOND: The Certificate of Formation of the limited liability company is hereby amended as follows:

The name of the limited liability company is hereby amended to AA Group (U.S.) - A LLC.

IN WITNESS WHEREOF, the undersigned has duly executed, signed and acknowledged this Certificate of Amendment as of the 3rd day of November, 2010.

By: /s/ David N. Britsch

Name: David N. Britsch

Title: Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT

OF

AA GROUP (U.S.) A LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement"), dated as of November 3, 2010, of AA Group (U.S.) - A LLC, a Delaware limited liability company (the "Company"), is entered into by the undersigned (the "Member").

The Member hereby forms a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act, as amended from time to time (the "Act"), and hereby agrees as follows:

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Name. The name of the limited liability company is AA Group (U.S.) - A LLC (the "Company").

2. Purpose. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

3. Members. The name and mailing address of the Member is as follows:

<u>Name</u>	<u>Address</u>
Viking Acquisition Inc.	c/o Avista Capital Partners 65 E. 55th Street 18th Floor New York, NY 10022

4. Capitalization. The Member's interest in the Company, including the Member's interest, if any, in the capital, income, gains, losses, deductions and expenses of the Company, and the right to vote, if any, on matters affecting the Company or the Member's interest therein, as provided by the Delaware Act or this Agreement, shall be represented by 100 units of limited liability company interest (each a "Unit"). All Units issued hereunder shall be issued in uncertificated form.

5. Capital Contributions by the Members. The Member shall not be obligated to make capital contributions to the Company and the Units shall be nonassessable.

6. Allocation of Profits and Losses. The Company's profits and losses shall be allocated entirely to the Member, and the Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in a manner that as closely as possible gives economic effect to Section 7 to the fullest extent permitted by §§ 704(b) and (c) of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder.

7. Distributions. Distributions shall be made to the Member at the time determined by the Board and shall be distributed to the Member in proportion to the relative number of Units held by the Member.

8. Board of Managers.

(a) Establishment. There is hereby established a board of managers (the "Board") comprised of natural Persons (the "Managers") having the authority and duties set forth in this Agreement and the Delaware Act. For all business that is put to the vote of the Board, each Manager of the Company shall be entitled to one (1) vote. Any decisions to be made by the Board shall require the approval of a majority of the Board. Except as provided in the immediately preceding sentence, no Manager acting alone, or with any other Manager or Managers, shall have the power to act for or on behalf of, or to bind the Company in his or her capacity as a Manager. Each Manager shall be a "manager" (as that term is defined in the Delaware Act) of the Company, but, notwithstanding the foregoing, no Manager shall have any rights or powers beyond the rights and powers granted to such Manager in this Agreement. Managers need not be residents of the State of Delaware.

(b) Powers. The business and affairs of the Company shall be managed by or under the direction of the Board. All actions outside of the ordinary course of business of the Company, to be taken by or on behalf of the Company, shall require the approval of the Board. Managers shall have the duties, powers and rights of Managers under Delaware law applicable to directors of corporations organized under the Delaware General Corporation Law.

(c) Number of Managers: Term of Office. The authorized number of Managers shall, as of the date hereof, be two (2) Managers and hereafter the authorized number of Managers may be increased or decreased by the Board. The Managers shall, except as hereinafter otherwise provided for filling vacancies, be elected by vote of the Member and shall hold office until their respective successors are elected or until their earlier death, resignation or removal. The initial Managers shall be David Lundstedt and Derek Gordon; and such persons shall hold office as a Manager until his or her respective successor is elected or until his or her earlier death, resignation or removal.

(d) Removal. The Board may remove, with or without cause, any Manager and fill the vacancy, although less than a quorum, and any Manager so elected to fill any such vacancy shall hold office until his successor is elected or until his earlier death, resignation or removal.

(e) Resignation. A member of the Board of Managers may resign at any time by giving written notice to that effect to the Company. Any such resignation shall take effect at the time of the receipt of that notice or any later effective time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any vacancy caused by any such resignation or by the death of any Manager or any vacancy for any other reason may be filled by a majority of the Board, although less than a quorum, and any Manager so elected to fill any such vacancy shall hold office until his successor is elected or until his earlier death, resignation or removal.

(f) Meetings of the Board. The Board shall meet at such time and at such place (either within or without the State of Delaware) as the Board may designate. Meetings of the Board shall be held on at least three (3) Business Days' (if the meeting is to be held in person) or two (2) Business Days' (if the meeting is to be held by telephone communications) prior written notice to the Managers, or upon such shorter notice as may be approved by all of the Managers. Any Manager may waive such notice as to himself. A record shall be maintained by the Secretary of the Company of each meeting of the Board.

(g) Conduct of Meetings. Any meeting of the Managers may be held, and any Manager may attend and vote and be present at a meeting, in person (including by proxy given to another Manager) or telephonically.

(h) Quorum. The presence (in person, telephonically, by proxy or by operation of this Section 8(h)) of a majority of the Board shall constitute a quorum of the Board for purposes of conducting business. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting. If a quorum shall not be present at any meeting of the Board, then Managers having a majority of the votes of the Managers present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(i) Attendance and Waiver of Notice. Attendance by a Manager at any meeting (in person, telephonically or by proxy) shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

(j) Actions Without a Meeting. Notwithstanding any provision contained in this Agreement, any action of the Board may be taken by written consent without a meeting. Any such action taken by the Board without a meeting shall be effective only if the written consent or consents are in writing, set forth the action so taken, and are signed by a majority of the Board.

(k) Compensation of the Managers. Managers, as such, shall not receive any stated salary for their services, but shall receive such reasonable compensation for their services as may be from time to time agreed upon by a majority of the Board. In addition, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board, provided that nothing contained in this Agreement shall be construed to preclude any Manager from serving the Company or any of its subsidiaries in any other capacity and receiving reasonable compensation for such service.

9. Officers. The officers of the Company, if any, shall be appointed by the Board in its sole discretion. The initial officers of the Company are set forth on Schedule 1 attached hereto. Unless such appointment provides otherwise, each officer so appointed shall have such powers and duties as are provided in the following:

(a) Chief Executive Officer. Subject to the direction of the Board, the Chief Executive Officer shall have, and exercise, direct charge of, and general supervision over, the business and affairs of the Company, and the Chief Executive Officer shall perform all duties incident to the office of a Chief Executive Officer in a corporation organized under the Delaware General Corporation Law.

(b) President. The powers, duties, and responsibilities of the Vice Presidents shall be fixed by the President, with the approval of the Board, and the President shall perform all duties incident to the office of a President in a corporation organized under the Delaware General Corporation Law.

(c) Vice Presidents. The powers, duties, and responsibilities of the Vice Presidents shall be fixed by the President, with the approval of the Board. A Vice President may be designated as an Executive Vice President, a Senior Vice President or a Vice President with a functional title.

(d) Secretary. The Secretary shall attend all meetings of the Board and record their proceedings, unless a temporary secretary is appointed. The Secretary shall give due notice, as required, of all meetings of the Board, and the Secretary shall keep, or cause to be kept, at a place or

places required by law, a record of the members and officers of the Company, giving the names and addresses of all such members and officers. The Secretary shall be the custodian of all records, contracts, leases and other papers and documents of the Company, unless otherwise directed by the Board, and shall perform such other duties as the Board, or the President, may designate. In the case of the Secretary's absence or incapacity, the President may designate an appropriate officer to perform the duties of the Secretary.

(e) Subordinate Officers. Each subordinate officer shall hold office for such period, have such authority, and perform such duties as the Board may prescribe. The Board may from time to time authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof. Each such officer shall also have such additional powers and duties as from time to time may be conferred by the Board. Any number of offices may be held by the same person. Each officer shall hold office until his or her successor shall be duly appointed and shall qualify or until his or her death, until he or she shall resign, or until he or she shall have been removed, either with or without cause, by the Board in its sole discretion. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed by the Board. Any appointment pursuant to this Section 10 may be revoked at any time by the Board.

10. Limitations on Authority. The authority of the Board over the conduct of the business affairs of the Company shall be subject only to such limitations as are expressly stated in this Agreement or in the Act.

11. Indemnification. The Company shall, to the fullest extent authorized by the Act, indemnify and hold harmless any member, manager, officer or employee of the Company from and against any and all claims and demands arising by reason of the fact that such person is, or was, a member, manager, officer or employee of the Company.

12. Dissolution. The Company shall dissolve, and its affairs shall be wound up, upon the first to occur of the following: (a) the written consent of the Member to such effect; and (b) the entry of a decree of judicial dissolution under § 18-802 of the Act.

13. Consents by Member. Any action that may be taken by the Member at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the Member.

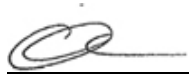
14. Amendments. Except as otherwise provided in this Agreement or in the Act, this Agreement may be amended only by the written consent of the Board to such effect.

15. Governing Law. This Agreement shall be construed and enforced in accordance with and governed by, the laws of the State of Delaware.

* * *

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Agreement as of the date above first written.

VIKING ACQUISITION INC.

By: 

Name: David Burgstahler
Title: President

Signature Page to Limited Liability Company Agreement

Schedule 1

Initial Officers

<u>Name</u>	<u>Title</u>
David Lundstedt	President and Chief Executive Officer
Derek Gordon	Secretary
Bevin O'Neil	Assistant Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:53 PM 11/03/2010
FILED 01:48 PM 11/03/2010
SRV 101053231 – 4893186 FILE

CERTIFICATE OF FORMATION

OF

AA GROUP (U.S.) B LLC

This Certificate of Formation of AA Group (U.S.) - B LLC (the "LLC") has been duly executed and is being filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Act (6 Del. C. § 18-101, et. seq.).

FIRST. The name of the limited liability company formed hereby is AA Group (U.S.) - B LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Formation as of the 3rd day of November, 2010.

By: /s/ David N. Britsch
David N. Britsch, Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT

OF

AA GROUP (U.S.) B LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement"), dated as of November 3, 2010, of AA Group (U.S.) - B LLC, a Delaware limited liability company (the "Company"), is entered into by the undersigned (the "Member").

The Member hereby forms a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act, as amended from time to time (the "Act"), and hereby agrees as follows:

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Name. The name of the limited liability company is AA Group (U.S.) - B LLC (the "Company").

2. Purpose. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

3. Members. The name and mailing address of the Member is as follows:

<u>Name</u>	<u>Address</u>
Viking Acquisition Inc.	c/o Avista Capital Partners 65 E. 55th Street 18th Floor New York, NY 10022

4. Capitalization. The Member's interest in the Company, including the Member's interest, if any, in the capital, income, gains, losses, deductions and expenses of the Company, and the right to vote, if any, on matters affecting the Company or the Member's interest therein, as provided by the Delaware Act or this Agreement, shall be represented by 100 units of limited liability company interest (each a "Unit"). All Units issued hereunder shall be issued in uncertificated form.

5. Capital Contributions by the Members. The Member shall not be obligated to make capital contributions to the Company and the Units shall be nonassessable.

6. Allocation of Profits and Losses. The Company's profits and losses shall be allocated entirely to the Member, and the Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in a manner that as closely as possible gives economic effect to Section 7 to the fullest extent permitted by §§ 704(b) and (c) of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder.

7. Distributions. Distributions shall be made to the Member at the time determined by the Board and shall be distributed to the Member in proportion to the relative number of Units held by the Member.

8. Board of Managers.

(a) Establishment. There is hereby established a board of managers (the "Board") comprised of natural Persons (the "Managers") having the authority and duties set forth in this Agreement and the Delaware Act. For all business that is put to the vote of the Board, each Manager of the Company shall be entitled to one (1) vote. Any decisions to be made by the Board shall require the approval of a majority of the Board. Except as provided in the immediately preceding sentence, no Manager acting alone, or with any other Manager or Managers, shall have the power to act for or on behalf of, or to bind the Company in his or her capacity as a Manager. Each Manager shall be a "manager" (as that term is defined in the Delaware Act) of the Company, but, notwithstanding the foregoing, no Manager shall have any rights or powers beyond the rights and powers granted to such Manager in this Agreement. Managers need not be residents of the State of Delaware.

(b) Powers. The business and affairs of the Company shall be managed by or under the direction of the Board. All actions outside of the ordinary course of business of the Company, to be taken by or on behalf of the Company, shall require the approval of the Board. Managers shall have the duties, powers and rights of Managers under Delaware law applicable to directors of corporations organized under the Delaware General Corporation Law.

(c) Number of Managers; Term of Office. The authorized number of Managers shall, as of the date hereof, be two (2) Managers and hereafter the authorized number of Managers may be increased or decreased by the Board. The Managers shall, except as hereinafter otherwise provided for filling vacancies, be elected by vote of the Member and shall hold office until their respective successors are elected or until their earlier death, resignation or removal. The initial Managers shall be David Lundstedt and Derek Gordon; and such persons shall hold office as a Manager until his or her respective successor is elected or until his or her earlier death, resignation or removal.

(d) Removal. The Board may remove, with or without cause, any Manager and fill the vacancy, although less than a quorum, and any Manager so elected to fill any such vacancy shall hold office until his successor is elected or until his earlier death, resignation or removal.

(e) Resignation. A member of the Board of Managers may resign at any time by giving written notice to that effect to the Company. Any such resignation shall take effect at the time of the receipt of that notice or any later effective time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any vacancy caused by any such resignation or by the death of any Manager or any vacancy for any other reason may be filled by a majority of the Board, although less than a quorum, and any Manager so elected to fill any such vacancy shall hold office until his successor is elected or until his earlier death, resignation or removal.

(f) Meetings of the Board. The Board shall meet at such time and at such place (either within or without the State of Delaware) as the Board may designate. Meetings of the Board shall be held on at least three (3) Business Days' (if the meeting is to be held in person) or two (2) Business Days' (if the meeting is to be held by telephone communications) prior written notice to the Managers, or upon such shorter notice as may be approved by all of the Managers. Any Manager may waive such notice as to himself, A record shall be maintained by the Secretary of the Company of each meeting of the Board.

(g) Conduct of Meetings. Any meeting of the Managers may be held, and any Manager may attend and vote and be present at a meeting, in person (including by proxy given to another Manager) or telephonically.

(h) Quorum. The presence (in person, telephonically, by proxy or by operation of this Section 8(h)) of a majority of the Board shall constitute a quorum of the Board for purposes of conducting business. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting. If a quorum shall not be present at any meeting of the Board, then Managers having a majority of the votes of the Managers present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(i) Attendance and Waiver of Notice. Attendance by a Manager at any meeting (in person, telephonically or by proxy) shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

(j) Actions Without a Meeting. Notwithstanding any provision contained in this Agreement, any action of the Board may be taken by written consent without a meeting. Any such action taken by the Board without a meeting shall be effective only if the written consent or consents are in writing, set forth the action so taken, and are signed by a majority of the Board.

(k) Compensation of the Managers. Managers, as such, shall not receive any stated salary for their services, but shall receive such reasonable compensation for their services as may be from time to time agreed upon by a majority of the Board. In addition, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board, provided that nothing contained in this Agreement shall be construed to preclude any Manager from serving the Company or any of its subsidiaries in any other capacity and receiving reasonable compensation for such service.

9. Officers. The officers of the Company, if any, shall be appointed by the Board in its sole discretion. The initial officers of the Company are set forth on Schedule 1 attached hereto. Unless such appointment provides otherwise, each officer so appointed shall have such powers and duties as are provided in the following:

(a) Chief Executive Officer. Subject to the direction of the Board, the Chief Executive Officer shall have, and exercise, direct charge of, and general supervision over, the business and affairs of the Company, and the Chief Executive Officer shall perform all duties incident to the office of a Chief Executive Officer in a corporation organized under the Delaware General Corporation Law.

(b) President. The powers, duties, and responsibilities of the Vice Presidents shall be fixed by the President, with the approval of the Board, and the President shall perform all duties incident to the office of a President in a corporation organized under the Delaware General Corporation Law.

(c) Vice Presidents. The powers, duties, and responsibilities of the Vice Presidents shall be fixed by the President, with the approval of the Board. A Vice President may be designated as an Executive Vice President, a Senior Vice President or a Vice President with a functional title.

(d) Secretary. The Secretary shall attend all meetings of the Board and record their proceedings, unless a temporary secretary is appointed. The Secretary shall give due notice, as required, of all meetings of the Board, and the Secretary shall keep, or cause to be kept, at a place or

places required by law, a record of the members and officers of the Company, giving the names and addresses of all such members and officers. The Secretary shall be the custodian of all records, contracts, leases and other papers and documents of the Company, unless otherwise directed by the Board, and shall perform such other duties as the Board, or the President, may designate, In the case of the Secretary's absence or incapacity, the President may designate an appropriate officer to perform the duties of the Secretary.

(e) Subordinate Officers. Each subordinate officer shall hold office for such period, have such authority, and perform such duties as the Board may prescribe. The Board may from time to time authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof. Each such officer shall also have such additional powers and duties as from time to time may be conferred by the Board. Any number of offices may be held by the same person. Each officer shall hold office until his or her successor shall be duly appointed and shall qualify or until his or her death, until he or she shall resign, or until he or she shall have been removed, either with or without cause, by the Board in its sole discretion. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed by the Board. Any appointment pursuant to this Section 10 may be revoked at any time by the Board.

10. Limitations on Authority. The authority of the Board over the conduct of the business affairs of the Company shall be subject only to such limitations as are expressly stated in this Agreement or in the Act.

11. Indemnification. The Company shall, to the fullest extent authorized by the Act, indemnify and hold harmless any member, manager, officer or employee of the Company from and against any and all claims and demands arising by reason of the fact that such person is, or was, a member, manager, officer or employee of the Company.

12. Dissolution. The Company shall dissolve, and its affairs shall be wound up, upon the first to occur of the following: (a) the written consent of the Member to such effect; and (b) the entry of a decree of judicial dissolution under § 18-802 of the Act. On the dissolution of the Company, the Board shall act as liquidator or (in its sole discretion) may appoint one or more representatives, Members or other persons or entities as liquidator(s). The liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidators shall continue to operate the Company properties with all of the power and authority of the Board. The steps to be accomplished by the liquidators are as follows: (x) the liquidators shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine); and (y) after payment or provision for payment of all of the Company's liabilities has been made in accordance with clause (x) of this Section 12, a final allocation of all items of profits and losses shall be made in accordance with Section 6, and all remaining assets of the Company shall be distributed in accordance with Section 7.

13. Consents by Member. Any action that may be taken by the Member at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the Member.

14. Amendments. Except as otherwise provided in this Agreement or in the Act, this Agreement may be amended only by the written consent of the Board to such effect.

15. Governing Law. This Agreement shall be construed and enforced in accordance with and governed by, the laws of the State of Delaware.

* * *

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Agreement as of the date above first written.

VIKING ACQUISITION INC.

By: 

Name: David Burgstahler
Title: President

Signature Page to Limited Liability Company Agreement

Schedule 1

Initial Officers

<u>Name</u>	<u>Title</u>
David Lundstedt	President and Chief Executive Officer
Derek Gordon	Secretary
Bevin O'Neil	Assistant Secretary

State of Delaware
 Secretary of State
 Division of Corporations
 Delivered 10:30 AM 02/04/2014
 FILED 10:25 AM 02/04/2014
 SRV 140128040 – 5476143 FILE

CERTIFICATE OF INCORPORATION

OF

AAG IDQ ACQUISITION CORPORATION

ARTICLE ONE

The name of the corporation is AAG IDQ Acquisition Corporation (hereinafter called the “Corporation”).

ARTICLE TWO

The address of the Corporation’s registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, DE 19808, in the County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE THREE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The total number of shares which the Corporation shall have the authority to issue is One Thousand Shares (1,000), all of which shall be shares of Common Stock, with a par value of One Cent (\$0.01) per share.

ARTICLE FIVE

The name and mailing address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
David N. Britsch	c/o Kirkland & Ellis LLP 601 Lexington Avenue, 39th Floor New York, NY 10022

ARTICLE SIX

The directors shall have the power to adopt, amend or repeal By-Laws, except as may be otherwise be provided in the By-Laws.

ARTICLE SEVEN

The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE EIGHT

To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended, a director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. Any repeal or modification of this ARTICLE EIGHT shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE NINE

The Corporation reserves the right to amend or repeal any provisions contained in this Certificate of Incorporation from time to time and at any time in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders and directors are granted subject to such reservation.

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation in pursuance of the General Corporation Law of the State of Delaware, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 4th day of February, 2014.

By: /s/ David N. Britsch
David N. Britsch, Sole Incorporator

BYLAWS
OF
AAG IDQ ACQUISITION CORPORATION
A Delaware Corporation

ARTICLE I
OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, New Castle County. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Section 2. Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the president of the corporation.

Section 2. Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors, the president or the holders of shares entitled to cast not less than a majority of the votes at the meeting or the holders of fifty percent (50%) of the outstanding shares of any series or class of the corporation's capital stock.

Section 3. Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose(s), of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6. Quorum. Except as otherwise provided by applicable law or by the corporation's certificate of incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article II, until a quorum shall be present or represented.

Section 7. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting, at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8. Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the corporation's certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class, unless the question is one upon which by express provisions of an applicable law or of the corporation's certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person(s) to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

Section 11. Action by Written Consent. Unless otherwise provided in the corporation's certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent(s) in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent(s), shall be signed by the holders of outstanding shares of stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book(s) in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested, provided, however, that no consent(s) delivered by certified or registered mail shall be deemed delivered until such consent(s) are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent(s) of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2. Number, Election and Term of Office. The number of directors which shall constitute the first board shall be one or more, which number may be increased or decreased from time to time by resolution of the board. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Section 4. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Section 5. Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of stockholders.

Section 6. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the president or vice president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the president must call a special meeting on the written request of at least a majority of the directors.

Section 7. Quorum, Required Vote and Adjournment. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these bylaws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee(s) shall have such name(s) as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9. Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member(s) thereof present at any meeting and not disqualified from voting, whether or not such member(s) constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11. Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12. Action by Written Consent. Unless otherwise restricted by the corporation's certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing(s) are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the board of directors and shall consist of a chairman, if any is elected, a president, one or more vice presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person, except that no person may simultaneously hold the office of president and secretary. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. The president shall appoint other officers to serve for such terms as he or she deems desirable. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6. The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board and an officer of the corporation. He shall perform the duties as may from time to time be assigned to him by the board of directors.

Section 7. The President. The president shall be the chief executive officer of the corporation. The president (i) shall preside at all meetings of the stockholders and board of directors at which he or she is present; (ii) subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and (iii) shall see that all orders and resolutions of the board of

directors are carried into effect. The president shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these bylaws.

Section 8. Vice-presidents. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these bylaws may, from time to time, prescribe.

Section 9. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book(s) to be kept for that purpose. Under the president's supervision, the secretary (i) shall give, or cause to be given, all notices required to be given by these bylaws or by law; (ii) shall have such powers and perform such duties as the board of directors, the president or these bylaws may, from time to time, prescribe; and (iii) shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the president, or secretary may, from time to time, prescribe.

Section 10. The Treasurer and Assistant Treasurers. The treasurer (i) shall have the custody of the corporate funds and securities; (ii) shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; (iii) shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; (iv) shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; (v) shall render to the president and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; and (vi) shall have such powers and perform such duties as the board of directors, the president or these bylaws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the president or treasurer may, from time to time, prescribe.

Section 11. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 12. Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

CERTIFICATES OF STOCK

Section 1. Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by (i) the chairman of the board, the president or a vice-president and (ii) the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer(s) who have signed, or whose facsimile signature(s) have been used on, any such certificate(s) shall cease to be such officer(s) of the corporation whether because of death, resignation or otherwise before such certificate(s) have been delivered by the corporation, such certificate(s) may nevertheless be issued and delivered as though the person or persons who signed such certificate(s) or whose facsimile signature(s) have been used thereon had not ceased to be such officer(s) of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate(s) for such shares endorsed by the appropriate person(s), with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate(s), and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2. Lost Certificates. The board of directors may direct a new certificate(s) to be issued in place of any certificate(s) previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate(s), the board of directors may, in its discretion and as a condition

precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate(s), or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day immediately preceding the day on which notice is given, or if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 4. Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Section 5. Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights of the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 6. Registered Stockholders. Prior to the surrender to the corporation of the certificate(s) for a share(s) of stock with a request to record the transfer of such share(s), the corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications, and otherwise to exercise all the rights and powers of an owner. The corporation shall not be bound to recognize any equitable or other claim to or interest in such share(s) on the part of any other person, whether or not it shall have express or other notice thereof.

Section 7. Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum(s) as the directors from time to time, in their absolute discretion, think proper as a reserve(s) to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer(s), agent(s) of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3. Contracts. The board of directors may authorize any officer(s), or any agent(s), of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may

reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6. Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the president, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 7. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 8. Section Headings. Section headings in these bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 9. Inconsistent Provisions. In the event that any provision of these bylaws is or becomes inconsistent with any provision of the corporation's certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, such provision of these bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VII

AMENDMENTS

These bylaws may be amended, altered, or repealed and new bylaws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the bylaws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:43 PM 11/03/2010
FILED 12:37 PM 11/03/2010
SRV 101052661 – 4873361 FILE

CERTIFICATE
OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
VIKING ACQUISITION INC.

The undersigned, being an authorized officer of Viking Acquisition Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: The name of the Corporation is Viking Acquisition Inc.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on September 17, 2010.

THIRD: The Board of Directors of the Corporation, pursuant to Sections 141, 242 and 245 of the General Corporation Law of the State of Delaware, adopted resolutions authorizing the Corporation to amend, integrate and restate the Corporation's Certificate of Incorporation in its entirety to read as set forth in Exhibit A attached hereto and made a part hereof (the "Restated Certificate").

FOURTH: The required holders of the Corporation's issued and outstanding capital stock approved and adopted the Restated Certificate of Incorporation in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, for the purpose of amending and restating the Certificate of Incorporation of the Corporation pursuant to the General Corporation Law of the State of Delaware, under penalties of perjury does hereby declare and certify that this is the act and deed of the Corporation and the facts stated herein are true, and accordingly has hereunto signed this Amended and Restated Certificate of Incorporation this 3rd day of November, 2010.

VIKING ACQUISITION INC.

By: /s/ David Burgstahler

Name: David Burgstahler

Title: Chief Executive Officer and President

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

VIKING ACQUISITION INC.

ARTICLE ONE

The name of the Corporation is Viking Acquisition Inc. (hereinafter called the "Corporation").

ARTICLE TWO

The address of the Corporation's registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE THREE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The total number of shares of capital stock which the Corporation has authority to issue is One Thousand Shares (1,000), all of which shall be shares of Common Stock, with a par value of One Cent (\$0.01) per share.

Section 1. Registration of Transfer. The Corporation shall keep at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of shares of the Common Stock. Upon the surrender of any certificate representing shares of Common Stock at such place, the Corporation shall, at the request of the registered holder of such certificate, execute and deliver a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate, and the Corporation forthwith shall cancel such surrendered certificate. Each such new certificate will be registered in such name and will represent such number of shares as is requested by the holder of the surrendered certificate and will be substantially identical in form to the surrendered certificate. The issuance of new certificates shall be made without charge to the holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

Section 2. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Common Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other

institutional investor its own agreement will be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 3. Notices. All notices referred to herein shall be in writing, shall be delivered personally or by first class mail, postage prepaid, and shall be deemed to have been given when so delivered or mailed to the Corporation at its principal executive offices and to any stockholder at such holder's address as it appears in the stock records of the Corporation (unless otherwise specified in a written notice to the Corporation by such holder).

ARTICLE FIVE

The Corporation is to have perpetual existence.

ARTICLE SIX

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the by-laws of the Corporation.

ARTICLE SEVEN

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation. Election of Directors need not be by written ballot unless the by-laws of the Corporation so provide.

ARTICLE EIGHT

Section 1. Limitation of Liability.

(a) To the fullest extent permitted by the General Corporation Law of Delaware as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), and except as otherwise provided in the Corporation's by-laws, no Director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

Section 2. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that

he or a person of whom he is the legal representative, is or was a Director or officer, of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the Corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 3 hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of Directors of the Corporation). The right to indemnification conferred in this Article Eight shall be a contract right and, subject to the provisions hereof, shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of Directors and officers.

Section 3. Procedure for Indemnification of Directors and Officers. Any indemnification of a Director or officer of the Corporation under Section 2 of this Article Eight or advance of expenses under this Article Eight shall be made promptly, and in any event within thirty days, upon the written request of the Director or officer. If a determination by the Corporation that the Director or officer is entitled to indemnification pursuant to this Article Eight is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within thirty days, the right to indemnification or advances as granted by this Article Eight shall be enforceable by the Director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Nonexclusivity of Article Eight. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the Delaware General Corporation Law.

Section 6. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a “subsidiary” for this Article Eight) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section 7. Reliance. Persons who after the date of the adoption of this provision become or remain Directors or officers of the Corporation or who, while a director or officer or other employee of the Corporation, become or remain a Director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article Eight in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 8. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under this Restated Certificate or under any statute, by-law, agreement, vote of stockholders or disinterested Directors or otherwise.

Section 9. Merger or Consolidation. For purposes of this Article Eight, references to the “Corporation” shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article Eight with respect to the resulting or surviving Corporation as he or she would have with respect to such constituent Corporation if its separate existence had continued.

Section 10. Savings Clause. If this Article Eight or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 2 of this Article Eight as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, Employment Retirement Income Security Act of 1974 excise taxes and penalties and penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article Eight to the full extent permitted by any applicable portion of this Article Eight that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE NINE

Section 1. Competition and Corporate Opportunities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or in being offered any opportunity to participate in, any business opportunities that are presented to any of its Directors or stockholders, except that the foregoing shall not apply to any member of management of the Corporation or any of its subsidiaries that is also a Director or a stockholder.

Section 2. Amendment of this Article. Notwithstanding anything to the contrary elsewhere contained in this Certificate of Incorporation, the affirmative vote of the holders of at least 66 2/3 % of the voting power of all shares of Common Stock then outstanding, voting together as a single class, shall be required to alter, amend or repeal, or to adopt any provision inconsistent with, this Article Nine.

Section 3. Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any shares of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article Nine.

ARTICLE TEN

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE ELEVEN

The Corporation expressly elects not to be governed by Section 203 of the Delaware General Corporation Law.

ARTICLE TWELVE

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or any creditor or stockholder thereof or on the application of

a receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors, and/or the shareholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders, or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

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**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
VIKING ACQUISITION INC.**

Under Section 242 of the Delaware Corporation Law

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, the undersigned officer of Viking Acquisition Inc., a Delaware corporation (the "Corporation"), does hereby certify the following:

FIRST: The name of the Corporation is Viking Acquisition Inc.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on September 17, 2010.

THIRD: The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended to effect a change in Article One thereof, relating to the name of the Corporation. Accordingly, Article One of the Amended and Restated Certificate of Incorporation shall be amended to read as follows:

The name of the corporation is Armored AutoGroup Inc. (hereinafter called the "Corporation").

FOURTH: This amendment to the Amended and Restated Certificate of Incorporation of the Corporation effected hereby was approved by the Board of Directors of the Corporation, and by written consent of the sole holder of the issued and outstanding capital stock of the Corporation.

IN WITNESS WHEREOF, the undersigned affirms as true the foregoing under penalties of perjury, and has executed this Certificate this 22nd day of November, 2010.

By: /s/ David Lundstedt
Name: David Lundstedt
Title: President and Chief Executive Officer

BY-LAWS
OF
ARMORED AUTOGROUP INC.

A Delaware Corporation

ARTICLE I

OFFICES

Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the chief executive officer of the corporation.

Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the chief executive officer and shall be called by the chief executive officer upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of any series or class of the corporation's Capital Stock.

Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Quorum. Except as otherwise provided by applicable law or by the Certificate of Incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Number, Election and Term of Office. The number of directors which shall constitute the board shall be one or more and can be increased by a resolution of the board of directors. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Vacancies. Except as otherwise provided by the Certificate of Incorporation of the corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon or by a majority of the members of the board of directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chief executive officer or president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the chief executive officer must call a special meeting on the written request of at least a majority of the directors.

Quorum, Required Vote and Adjournment. A majority of the total number of directors then in office (without regard to any then vacancies on the board) shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws

shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all the then members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a chief executive officer, two or more president, one or more vice president, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, may be an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. He shall advise the chief executive officer, and in the chief executive officer's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

The Chief Executive Officer. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the chief executive officer shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

President; Vice Presidents. The president shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all of the restrictions of the chief

executive officer. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer, or secretary may, from time to time, prescribe.

The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer, the president or treasurer may, from time to time, prescribe.

Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, which officers may include officers of any division of the Corporation, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be

deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Merger or Consolidation. For purposes of this Article V, references to “the corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the chief executive officer, the the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder’s attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In

that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the

corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:47 PM 11/03/2010
FILED 12:44 PM 11/03/2010
SRV 101052716 – 4874304 FILE

CERTIFICATE
OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
VIKING INTERMEDIATE INC.

The undersigned, being an authorized officer of Viking Intermediate Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: The name of the Corporation is Viking Intermediate Inc.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on September 20, 2010.

THIRD: The Board of Directors of the Corporation, pursuant to Sections 141, 242 and 245 of the General Corporation Law of the State of Delaware, adopted resolutions authorizing the Corporation to amend, integrate and restate the Corporation's Certificate of Incorporation in its entirety to read as set forth in Exhibit A attached hereto and made a part hereof (the "Restated Certificate").

FOURTH: The required holders of the Corporation's issued and outstanding capital stock approved and adopted the Restated Certificate of Incorporation in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, for the purpose of amending and restating the Certificate of Incorporation of the Corporation pursuant to the General Corporation Law of the State of Delaware, under penalties of perjury does hereby declare and certify that this is the act and deed of the Corporation and the facts stated herein are true, and accordingly has hereunto signed this Amended and Restated Certificate of Incorporation this 3rd day of November, 2010.

VIKING INTERMEDIATE INC.

By: /s/ David Burgstahler

Name: David Burgstahler

Title: Chief Executive Officer and President

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

VIKING INTERMEDIATE INC.

ARTICLE ONE

The name of the Corporation is Viking Intermediate Inc. (hereinafter called the "Corporation").

ARTICLE TWO

The address of the Corporation's registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE THREE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The total number of shares of capital stock which the Corporation has authority to issue is One Thousand Shares (1,000), all of which shall be shares of Common Stock, with a par value of One Cent (\$0.01) per share.

Section 1. Registration of Transfer. The Corporation shall keep at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of shares of the Common Stock. Upon the surrender of any certificate representing shares of Common Stock at such place, the Corporation shall, at the request of the registered holder of such certificate, execute and deliver a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate, and the Corporation forthwith shall cancel such surrendered certificate. Each such new certificate will be registered in such name and will represent such number of shares as is requested by the holder of the surrendered certificate and will be substantially identical in form to the surrendered certificate. The issuance of new certificates shall be made without charge to the holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

Section 2. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Common Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other

institutional investor its own agreement will be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 3. Notices. All notices referred to herein shall be in writing, shall be delivered personally or by first class mail, postage prepaid, and shall be deemed to have been given when so delivered or mailed to the Corporation at its principal executive offices and to any stockholder at such holder's address as it appears in the stock records of the Corporation (unless otherwise specified in a written notice to the Corporation by such holder).

ARTICLE FIVE

The Corporation is to have perpetual existence.

ARTICLE SIX

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the by-laws of the Corporation.

ARTICLE SEVEN

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation. Election of Directors need not be by written ballot unless the by-laws of the Corporation so provide.

ARTICLE EIGHT

Section 1. Limitation of Liability.

(a) To the fullest extent permitted by the General Corporation Law of Delaware as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), and except as otherwise provided in the Corporation's by-laws, no Director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

Section 2. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that

he or a person of whom he is the legal representative, is or was a Director or officer, of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the Corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 3 hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of Directors of the Corporation). The right to indemnification conferred in this Article Eight shall be a contract right and, subject to the provisions hereof, shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of Directors and officers.

Section 3. Procedure for Indemnification of Directors and Officers. Any indemnification of a Director or officer of the Corporation under Section 2 of this Article Eight or advance of expenses under this Article Eight shall be made promptly, and in any event within thirty days, upon the written request of the Director or officer. If a determination by the Corporation that the Director or officer is entitled to indemnification pursuant to this Article Eight is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within thirty days, the right to indemnification or advances as granted by this Article Eight shall be enforceable by the Director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Nonexclusivity of Article Eight. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the Delaware General Corporation Law.

Section 6. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a “subsidiary” for this Article Eight) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section 7. Reliance. Persons who after the date of the adoption of this provision become or remain Directors or officers of the Corporation or who, while a director or officer or other employee of the Corporation, become or remain a Director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article Eight in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 8. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under this Restated Certificate or under any statute, by-law, agreement, vote of stockholders or disinterested Directors or otherwise.

Section 9. Merger or Consolidation. For purposes of this Article Eight, references to the “Corporation” shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article Eight with respect to the resulting or surviving Corporation as he or she would have with respect to such constituent Corporation if its separate existence had continued.

Section 10. Savings Clause. If this Article Eight or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 2 of this Article Eight as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, Employment Retirement Income Security Act of 1974 excise taxes and penalties and penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article Eight to the full extent permitted by any applicable portion of this Article Eight that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE NINE

Section 1. Competition and Corporate Opportunities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or in being offered any opportunity to participate in, any business opportunities that are presented to any of its Directors or stockholders, except that the foregoing shall not apply to any member of management of the Corporation or any of its subsidiaries that is also a Director or a stockholder.

Section 2. Amendment of this Article. Notwithstanding anything to the contrary elsewhere contained in this Certificate of Incorporation, the affirmative vote of the holders of at least 66 2/3 % of the voting power of all shares of Common Stock then outstanding, voting together as a single class, shall be required to alter, amend or repeal, or to adopt any provision inconsistent with, this Article Nine.

Section 3. Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any shares of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article Nine.

ARTICLE TEN

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE ELEVEN

The Corporation expressly elects not to be governed by Section 203 of the Delaware General Corporation Law.

ARTICLE TWELVE

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or any creditor or stockholder thereof or on the application of

a receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors, and/or the shareholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders, or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

* * * * *

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
VIKING INTERMEDIATE INC.**

Under Section 242 of the Delaware Corporation Law

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, the undersigned officer of Viking Intermediate Inc., a Delaware corporation (the "Corporation"), does hereby certify the following:

FIRST: The name of the Corporation is Viking Inermediate Inc.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on September 20, 2010.

THIRD: The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended to effect a change in Article One thereof, relating to the name of the Corporation. Accordingly, Article One of the Amended and Restated Certificate of Incorporation shall be amended to read as follows:

The name of the corporation is Armored AutoGroup Intermediate Inc. (hereinafter called the "Corporation").

FOURTH: This amendment to the Amended and Restated Certificate of Incorporation of the Corporation effected hereby was approved by the Board of Directors of the Corporation, and by written consent of the sole holder of the issued and outstanding capital stock of the Corporation.

IN WITNESS WHEREOF, the undersigned affirms as true the foregoing under penalties of perjury, and has executed this Certificate this 22nd day of November, 2010.

By: /s/ David Lundstedt
Name: David Lundstedt
Title: President and Chief Executive Officer

BY-LAWS
OF
ARMORED AUTOGROUP INTERMEDIATE INC.

A Delaware Corporation

ARTICLE I

OFFICES

Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the chief executive officer of the corporation.

Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the chief executive officer and shall be called by the chief executive officer upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of any series or class of the corporation's Capital Stock.

Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Quorum. Except as otherwise provided by applicable law or by the Certificate of Incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Number, Election and Term of Office. The number of directors which shall constitute the board shall be one (1) or more and can be increased by a resolution of the board of directors. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Vacancies. Except as otherwise provided by the Certificate of Incorporation of the corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon or by a majority of the members of the board of directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chief executive officer or president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the chief executive officer must call a special meeting on the written request of at least a majority of the directors.

Quorum, Required Vote and Adjournment. A majority of the total number of directors then in office (without regard to any then vacancies on the board) shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the

directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all the then members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a chief executive officer, two or more president, one or more vice president, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, may be an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. He shall advise the chief executive officer, and in the chief executive officer's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

The Chief Executive Officer. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the chief executive officer shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

President; Vice Presidents. The president shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all of the restrictions of the chief

executive officer. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer, or secretary may, from time to time, prescribe.

The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer, the president or treasurer may, from time to time, prescribe.

Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, which officers may include officers of any division of the Corporation, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be

deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Merger or Consolidation. For purposes of this Article V, references to “the corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the chief executive officer, the the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder’s attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In

that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the

corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

Certificate of Incorporation of the Surviving Corporation**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
of
ARMORED AUTOGROUP PARENT INC.**

1. Name. The name of the corporation is Armored AutoGroup Parent Inc. (the "Corporation").

2. Address; Registered Office and Agent. The address of the Corporation's registered office is 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware 19801 and the name of its registered agent at such address is The Corporation Trust Company.

3. Purposes. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

4. Number of Shares. The total number of shares of stock that the Corporation shall have authority to issue is: One hundred (100) shares, all of which shall be shares of Common Stock \$0.01 par value per share.

5. Election of Directors. Unless and except to the extent that the By-laws of the Corporation (the "By-laws") shall so require, the election of directors of the Corporation need not be by written ballot.

6. Limitation of Liability. To the fullest extent permitted under the General Corporation Law, as amended from time to time, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

7. Any amendment, repeal or modification of the foregoing provision shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

8. Indemnification.

(a) Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (an "Other Entity"), including service with respect to employee benefit plans,

against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 8(c), the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board of Directors of the Corporation (the "Board").

(b) Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition; provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article 8 or otherwise.

(c) Claims. If a claim for indemnification or advancement of expenses under this Article 8 is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(d) Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article 8 shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

(e) Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of an Other Entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such Other Entity.

(f) Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article 8 shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

(g) Other Indemnification and Prepayment of Expenses. This Article 8 shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

9. Adoption, Amendment and/or Repeal of By-Laws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to make, alter and repeal the By-laws, subject to the power of the stockholders of the Corporation to alter or repeal any By-law whether adopted by them or otherwise.

10. Certificate Amendments. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by applicable law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

AMENDED AND RESTATED**BY-LAWS****OF****ARMORED AUTOGROUP PARENT INC.****A Delaware Corporation**

Effective as of: March 14, 2014

ARTICLE I

OFFICES

Section 1. **Registered Office.** The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Section 2. **Other Offices.** The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. **Place and Time of Meetings.** An annual meeting of the stockholders may be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the chief executive officer of the corporation.

Section 2. **Special Meetings.** Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the chief executive officer and shall be called by the chief executive officer upon the written request of holders of stock representing not less than fifty percent (50%) of the votes entitled to be cast in the election of directors.

Section 3. Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6. Quorum. Except as otherwise provided by applicable law or by the certificate of incorporation of the corporation, holders of stock representing a majority of the votes entitled to be cast on a subject matter, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders in respect of such subject matter. If a quorum is not present at the meeting with respect to any subject matter, holders of stock representing a majority of the votes present in person or represented by proxy and entitled to be cast thereon may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Section 7. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8. Vote Required. Except with respect to the election of directors or as set forth in the next sentence, the affirmative vote of the holders of stock representing a majority of the votes present in person or represented by proxy at a duly called meeting in which a quorum was present and entitled to vote on the subject matter (voting together as a single class) shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation of the corporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required by applicable law or the certificate of incorporation of the corporation, the majority of the shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Section 9. [Reserved]

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Section 11. Action by Written Consent. Unless otherwise provided in the certificate of incorporation of the corporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the votes entitled to be cast on such action (acting together as a single class), or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2. Number, Election and Term of Office. The number of directors which shall constitute the board shall be not less than one (1) and not more than ten (10). The number of directors shall be established from time to time by resolution of the board. The directors shall be elected by a plurality of the votes cast (voting together as a single class) at a duly called meeting in which a quorum was present and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of stock representing a majority of the votes then entitled to be cast at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of a majority of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Section 4. Vacancies. Except as otherwise provided by the certificate of incorporation of the corporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the holders of stock representing a majority of the votes entitled to be cast thereon (voting together as a single class) or by a majority of the members of the board of directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Section 5. Annual Meetings. The annual meeting of each newly elected board of directors may be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Section 6. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chief executive officer or president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the chief executive officer must call a special meeting on the written request of at least a majority of the directors.

Section 7. Quorum, Required Vote and Adjournment. A majority of the total number of directors then in office (without regard to any then vacancies on the board) shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9. Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11. Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as

the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12. Action by Written Consent. Unless otherwise restricted by the certificate of incorporation of the corporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all the then members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a chief executive officer, two or more president, one or more vice president, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6. The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, may be an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. He shall advise the chief executive officer, and in the chief executive officer's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

Section 7. The Chief Executive Officer. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the chief executive officer shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

Section 8. President; Vice Presidents. The president shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all of the restrictions of the chief executive officer. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

Section 9. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer, or secretary may, from time to time, prescribe.

Section 10. The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of

directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer, the president or treasurer may, from time to time, prescribe.

Section 11. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, which officers may include officers of any division of the Corporation, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 12. Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the

corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise

against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7. Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1. Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the chief executive officer, the the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee,

the signature of any such chairman of the board, chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2. Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 4. Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Section 5. Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 6. Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation of the corporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation of the corporation. Before payment of any dividend, there may be set aside out of

any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3. Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6. Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by any officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to

such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9. Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation of the corporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:52 PM 11/03/2010
FILED 12:49 PM 11/03/2010
SRV 101052758 - 4888968 FILE

CERTIFICATE
OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
VIKING PRODUCTS MARKETING INC.

The undersigned, being an authorized officer of Viking Products Marketing Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: The name of the Corporation is Viking Products Marketing Inc.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on October 25, 2010.

THIRD: The Board of Directors of the Corporation, pursuant to Sections 141, 242 and 245 of the General Corporation Law of the State of Delaware, adopted resolutions authorizing the Corporation to amend, integrate and restate the Corporation's Certificate of Incorporation in its entirety to read as set forth in Exhibit A attached hereto and made a part hereof (the "Restated Certificate").

FOURTH: The required holders of the Corporation's issued and outstanding capital stock approved and adopted the Restated Certificate of Incorporation in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned, for the purpose of amending and restating the Certificate of Incorporation of the Corporation pursuant to the General Corporation Law of the State of Delaware, under penalties of perjury does hereby declare and certify that this is the act and deed of the Corporation and the facts stated herein are true, and accordingly has hereunto signed this Amended and Restated Certificate of Incorporation this 3rd day of November, 2010.

VIKING PRODUCTS MARKETING INC.

By: /s/ David Burgstahler

Name: David Burgstahler

Title: Chief Executive Officer and President

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

VIKING PRODUCTS MARKETING INC.

ARTICLE ONE

The name of the Corporation is Viking Products Marketing Inc. (hereinafter called the "Corporation").

ARTICLE TWO

The address of the Corporation's registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE THREE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The total number of shares of capital stock which the Corporation has authority to issue is One Thousand Shares (1,000), all of which shall be shares of Common Stock, with a par value of One Cent (\$0.01) per share.

Section 1. Registration of Transfer. The Corporation shall keep at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of shares of the Common Stock. Upon the surrender of any certificate representing shares of Common Stock at such place, the Corporation shall, at the request of the registered holder of such certificate, execute and deliver a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate, and the Corporation forthwith shall cancel such surrendered certificate. Each such new certificate will be registered in such name and will represent such number of shares as is requested by the holder of the surrendered certificate and will be substantially identical in form to the surrendered certificate. The issuance of new certificates shall be made without charge to the holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

Section 2. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Common Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably

satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor its own agreement will be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 3. Notices. All notices referred to herein shall be in writing, shall be delivered personally or by first class mail, postage prepaid, and shall be deemed to have been given when so delivered or mailed to the Corporation at its principal executive offices and to any stockholder at such holder's address as it appears in the stock records of the Corporation (unless otherwise specified in a written notice to the Corporation by such holder).

ARTICLE FIVE

The Corporation is to have perpetual existence.

ARTICLE SIX

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the by-laws of the Corporation.

ARTICLE SEVEN

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation. Election of Directors need not be by written ballot unless the by-laws of the Corporation so provide.

ARTICLE EIGHT

Section 1. Limitation of Liability.

(a) To the fullest extent permitted by the General Corporation Law of Delaware as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), and except as otherwise provided in the Corporation's by-laws, no Director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

Section 2. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil,

criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or a person of whom he is the legal representative, is or was a Director or officer, of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the Corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys’ fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 3 hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of Directors of the Corporation). The right to indemnification conferred in this Article Eight shall be a contract right and, subject to the provisions hereof, shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of Directors and officers.

Section 3. Procedure for Indemnification of Directors and Officers. Any indemnification of a Director or officer of the Corporation under Section 2 of this Article Eight or advance of expenses under this Article Eight shall be made promptly, and in any event within thirty days, upon the written request of the Director or officer. If a determination by the Corporation that the Director or officer is entitled to indemnification pursuant to this Article Eight is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within thirty days, the right to indemnification or advances as granted by this Article Eight shall be enforceable by the Director or officer in any court of competent jurisdiction. Such person’s costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its

Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Nonexclusivity of Article Eight. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the Delaware General Corporation Law.

Section 6. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a “subsidiary” for this Article Eight) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section 7. Reliance. Persons who after the date of the adoption of this provision become or remain Directors or officers of the Corporation or who, while a director or officer or other employee of the Corporation, become or remain a Director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article Eight in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 8. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this Article Eight shall not be exclusive of any other right which any person may have or hereafter acquire under this Restated Certificate or under any statute, by-law, agreement, vote of stockholders or disinterested Directors or otherwise.

Section 9. Merger or Consolidation. For purposes of this Article Eight, references to the “Corporation” shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article Eight with respect to the resulting or surviving Corporation as he or she would have with respect to such constituent Corporation if its separate existence had continued.

Section 10. Savings Clause. If this Article Eight or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 2 of this Article Eight as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, Employment Retirement Income Security Act of 1974 excise taxes and penalties and penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article Eight to the full extent permitted by any applicable portion of this Article Eight that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE NINE

Section 1. Competition and Corporate Opportunities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or in being offered any opportunity to participate in, any business opportunities that are presented to any of its Directors or stockholders, except that the foregoing shall not apply to any member of management of the Corporation or any of its subsidiaries that is also a Director or a stockholder.

Section 2. Amendment of this Article. Notwithstanding anything to the contrary elsewhere contained in this Certificate of Incorporation, the affirmative vote of the holders of at least 66 2/3 % of the voting power of all shares of Common Stock then outstanding, voting together as a single class, shall be required to alter, amend or repeal, or to adopt any provision inconsistent with, this Article Nine.

Section 3. Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any shares of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article Nine.

ARTICLE TEN

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE ELEVEN

The Corporation expressly elects not to be governed by Section 203 of the Delaware General Corporation Law.

ARTICLE TWELVE

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or any creditor or stockholder thereof or on the application of

a receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors, and/or the shareholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders, or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

* * * * *

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:23 AM 11/22/2010
FILED 11:21 AM 11/22/2010
SRV 101110325 - 4888968 FILE

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
VIKING PRODUCTS MARKETING INC.**

Under Section 242 of the Delaware Corporation Law

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, the undersigned officer of Viking Products Marketing Inc., a Delaware corporation (the "Corporation"), does hereby certify the following:

FIRST: The name of the Corporation is Viking Products Marketing Inc.

SECOND: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on October 25, 2010.

THIRD: The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended to effect a change in Article One thereof, relating to the name of the Corporation. Accordingly, Article One of the Amended and Restated Certificate of Incorporation shall be amended to read as follows:

The name of the corporation is Armored AutoGroup Sales Inc. (hereinafter called the "Corporation").

FOURTH: This amendment to the Amended and Restated Certificate of Incorporation of the Corporation effected hereby was approved by the Board of Directors of the Corporation, and by written consent of the sole holder of the issued and outstanding capital stock of the Corporation.

IN WITNESS WHEREOF, the undersigned affirms as true the foregoing under penalties of perjury, and has executed this Certificate this 22nd day of November, 2010.

By: /s/ David Lundstedt
Name: David Lundstedt
Title: President and Chief Executive Officer

BY-LAWS**OF****ARMORED AUTOGROUP SALES INC.****A Delaware Corporation**

ARTICLE I

OFFICES

Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the chief executive officer of the corporation.

Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the chief executive officer and shall be called by the chief executive officer upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of any series or class of the corporation's Capital Stock.

Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Quorum. Except as otherwise provided by applicable law or by the Certificate of Incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Number, Election and Term of Office. The number of directors which shall constitute the board as of the effective date of these by-laws shall be not less than one (1) and not more than six (6). Hereafter, the number of directors shall be established from time to time by resolution of the board. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Vacancies. Except as otherwise provided by the Certificate of Incorporation of the corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon or by a majority of the members of the board of directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chief executive officer or president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the chief executive officer must call a special meeting on the written request of at least a majority of the directors.

Quorum, Required Vote and Adjournment. A majority of the total number of directors then in office (without regard to any then vacancies on the board) shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all the then members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a chief executive officer, two or more president, one or more vice president, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, may be an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. He shall advise the chief executive officer, and in the chief executive officer's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

The Chief Executive Officer. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the chief executive officer shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of

the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

President; Vice Presidents. The president shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all of the restrictions of the chief executive officer. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer, or secretary may, from time to time, prescribe.

The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of

all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer, the president or treasurer may, from time to time, prescribe.

Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, which officers may include officers of any division of the Corporation, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the chief executive officer, the the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose

facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon

which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:23 AM 06/16/2010
FILED 10:23 AM 06/16/2010
SRV 100660861 - 4817760 FILE

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
IDQ ACQUISITION CORP.

IDQ Acquisition Corp., a corporation organized and existing under the laws of the State of Delaware (the "Corporation") does hereby certify as follows:

(a) The name of the Corporation is IDQ Acquisition Corp.

(b) The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on May 7, 2010.

(c) This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation and by the sole stockholder of the Company in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

(d) The text of the Amended and Restated Certificate of Incorporation of the Corporation as amended hereby is restated to read in its entirety as follows:

ARTICLE I

NAME

1. Name. The name of the corporation is IDQ Acquisition Corp. (the "Corporation").

ARTICLE II

ADDRESS

1. Address. The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent at that address is The Corporation Trust Company.

ARTICLE III

PURPOSE

1. Purpose. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "General Corporation Law").

ARTICLE IV

CAPITALIZATION

1. Capital Stock. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 3,000,000 shares, consisting of: (i) 1,500,000 shares of Preferred Stock, par value one cent (\$0.01) per share (the "Preferred Stock") and (ii) 1,500,000 shares of Common Stock, par value one cent (\$0.01) per share (the "Common Stock").

2. Preferred Stock.

(a) General. The Preferred Stock may be issued from time to time in one or more series and in such amounts as may be determined by the Board of Directors. The voting powers, designations, preferences and relative, participating, optional or other special

rights, if any, or the qualifications, limitations or restrictions thereof, if any, of the Preferred Stock of each series shall be as such are fixed by the Board of Directors, authority to do so being hereby expressly granted, and as are stated and expressed in a resolution or resolutions adopted by the Board of Directors providing for the issue of such series of Preferred Stock (hereinafter called the "Directors' Resolution"). The Directors' Resolution as to any series shall (i) designate the series, (ii) fix the dividend rate, if any, of such series, the payment dates for dividends on shares of such series and the date or dates, or method of determining the date or dates, if any, from which dividends on shares of such series shall be or shall not be cumulative, (iii) fix the amount or amounts payable on shares of such series upon voluntary or involuntary liquidation, dissolution, or winding up, and (iv) state the price or prices or rate or rates, and adjustments, if any, at which, and the time or times and the terms and conditions on which, shares of such series may be redeemed at the option of the Corporation. Such Directors' Resolution may also (i) limit the number of shares of such series which may be issued, (ii) provide for a sinking fund for the purpose of redemption of shares of such series and determine the terms and conditions governing the operations of any such fund, (iii) grant voting rights to the holders of shares of such series, (iv) impose conditions or restrictions upon the creation of indebtedness of the Corporation or upon the issuance of additional preferred stock or other capital stock ranking on a parity therewith, or prior thereto, with respect to dividends or distributions of assets upon liquidation, (v) impose conditions or restrictions upon the payment of dividends upon, or the making of other distributions to, or the acquisitions of, shares ranking junior to the Preferred Stock or to any series thereof with respect to dividends or distributions of assets upon liquidation, (vi) state the price or prices or the rate or rates of conversion or exchange and other terms, conditions and

adjustments upon which shares of any such series may be made convertible into, or exchangeable for shares of any other class or classes or of any other series of Preferred Stock or any other class or classes of stock, and (vii) grant such other special rights and impose such qualifications, limitations or restrictions thereon as shall be fixed by the Board of Directors.

(b) Voting. Except as expressly provided by law, or except as may be provided in any Directors' Resolution, the Preferred Stock shall have no right or power to vote on any question or in any proceeding or to be represented at, or to receive notice of, any meeting of stockholders.

(c) Repurchase. Preferred Stock redeemed, purchased or retired by the Corporation assumes the status of authorized but unissued Preferred Stock and may thereafter, subject to the provisions of any Directors' Resolution providing for the issue of any particular series of Preferred Stock, be reissued in the same manner as authorized, but unissued, Preferred Stock.

(d) Designation for Series A Preferred Stock.

(i) Designation, Number and Ranking.

(A) There is hereby established a series of Preferred Stock that shall be designated as "Series A Preferred Stock" (the "Series A Preferred Stock"). The number of shares constituting the Series A Preferred Stock shall be 1,000,000.

(B) The Series A Preferred Stock shall rank senior to the Common Stock.

(ii) Dividends.

The holder of Series A Preferred Stock shall be entitled to preferential cumulative quarterly dividends beginning July 1, 2010, at the annual rate of 10.0% of the Liquidation Value (as defined below), payable in arrears until as and when declared by the Board of Directors. Such dividends shall be cumulative whether or not earned or declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends. All dividends paid with respect to shares of Series A Preferred Stock pursuant to this section will be paid pro rata to the holders thereof. Dividend payments will be aggregated per holder and will be made to the nearest cent.

(iii) Voting Rights.

The holders of the Series A Preferred Stock shall not be entitled to any notice of stockholders' meetings or to vote upon the election of directors or upon any question affecting the management or affairs of the Corporation, except where such notice or right to vote is required by law or by this Certificate of Incorporation,

(iv) Redemption.

The Corporation, at the option of the Board of Directors, may redeem all or, from time to time, any portion of the Series A Preferred Stock by paying therefor in cash the sum of \$ 100.00 per share, plus all cumulative and unpaid dividends thereon, as of the date fixed for redemption, adjusted accordingly for any conversion, exchange, stock split or other reclassification, consolidation, reorganization or similar transaction, such sum being hereinafter referred to as the "Redemption Price." At least fifteen (15) days previous notice, in the manner set forth in the By-Laws of the Corporation, shall be given to holders of record of the Series A Preferred Stock to be redeemed. On the date fixed for redemption and

stated in such notice, each holder of Series A Preferred Stock called for redemption shall surrender his certificate for such shares to the Corporation at the place designated in such notice and shall thereupon be entitled to receive payment of the Redemption Price. If less than all the Series A Preferred Stock represented by any such surrendered certificate is so redeemed, a new certificate shall be issued representing the unredeemed Series A Preferred Stock. At any time after giving notice of redemption of all or any part of the Series A Preferred Stock, the Corporation may deposit with a bank or trust company, as a trust fund for the benefit of the holders of the Series A Preferred Stock called for redemption, an amount in cash sufficient to pay the redemption of such Series A Preferred Stock. After the making of such deposit, such Series A Preferred Stock shall not be deemed to be outstanding for any purpose and the rights of the holders thereof shall be limited to the right to receive payment of the redemption price from such fund upon surrender of the certificates. Subject to the provisions thereof, the Board of Directors shall have the authority to prescribe the manner in which all or part of the outstanding Series A Preferred Stock shall be redeemed; provided that any such redemption will be pro rata among all holders of Series A Preferred Stock in accordance with the number of shares of Series A Preferred Stock held by each such holder.

(v) Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, after and subject to the payment in full of all amounts required to be distributed to the holders of any other class of stock of the

Corporation ranking senior to the Series A Preferred Stock upon liquidation, dissolution or winding-up (such stock being referred to herein as "Senior Stock") in respect of such stock, but before any payment shall be made to the holders of Common Stock or other capital stock of the Corporation ranking junior to the Series A Preferred Stock upon liquidation, dissolution or winding up, an amount equal to \$100.00 per share of Series A Preferred Stock (the "Liquidation Value"), plus all cumulative and unpaid dividends thereon as of the date of such liquidation, dissolution or winding up, adjusted accordingly for any conversion, exchange, stock split or other reclassification, consolidation, reorganization or similar transaction. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for the distribution to its stockholders after payment in full of amounts required to be paid or distributed to holders of Senior Stock shall be insufficient to pay the holders of shares of Series A Preferred Stock and the holders of shares of capital stock of the Corporation ranking on a parity with the Series A Preferred Stock upon liquidation, dissolution or winding up (such stock being referred to herein as "Parity Stock") the full amount to which they shall be entitled, the holders of shares of Series A Preferred Stock and shares of Parity Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full.

(vi) Consolidation or Merger. In the event of any consolidation or merger of the Corporation with or into any other person or the sale or other distribution to another person of all or substantially all the assets of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to the payment they would be entitled had there been a liquidation, dissolution or winding up of the Company pursuant to Section 2(d)(v).

3. Common Stock.

(a) Dividends. Subject to all rights of the Preferred Stock, including priority in payment of dividends thereon, dividends may be paid on the Common Stock as and when declared by the Board of Directors of the Corporation out of any funds of the Corporation legally available for the payment thereof. Subject to the rights of holders of Preferred Stock, when, as and if dividends are declared on the Common Stock, whether payable in cash, in property or in securities of the Corporation, the holders of Common Stock shall be entitled to share equally, share for share, in such dividends.

(b) Voting. Except as otherwise expressly required by law, the holders of Common Stock shall be entitled to one vote per share on all matters and proposals to be voted on by the stockholders of the Corporation (including, without limitation, the election or removal of directors of the Corporation).

(c) No Cumulative Voting. The holders of Common Stock shall not have cumulative voting rights.

(d) Liquidation, Dissolution or Winding Up.

(i) General. Subject to any prior or superior right of liquidation as may be conferred upon any shares of Preferred Stock, and after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of Common Stock then outstanding shall be entitled to receive all of the assets and funds of the Corporation remaining and available for distribution. Such assets and funds shall be divided among and paid to the holders of Common Stock on a pro rata basis, according to the number of shares of Common Stock held by them.

(ii) Consolidation or Merger. Neither the consolidation or merger of the Corporation with or into any other person nor the sale or other distribution to another person of all or substantially all the assets of the Corporation, in each case when permitted by this Amended and Restated Certificate of Incorporation, shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of Section 3(d)(i).

ARTICLE V

BOARD OF DIRECTORS

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders.

1. Business and Affairs. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. Composition. The Board of Directors shall consist of not less than one (1) or more than fifteen (15) members, the exact number of which shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors.

3. Term. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

4. Election and Vacancies. Any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor. Any or all of the directors of the Corporation may be removed from office at any time, with or without cause, only by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors.

5. Election of Directors. The election of directors of the Corporation need not be by written ballot, unless the By-Laws of the Corporation otherwise provide.

6. Additional Powers. In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors of the Corporation are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the General Corporation Law,

this Amended and Restated Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

ARTICLE VI

STOCKHOLDERS

1. Action by Written Consent. Any action required or permitted by the General Corporation Law to be taken at a stockholders' meeting may be taken without a meeting and without prior notice by the written consent of stockholders who would be entitled to vote at a meeting of the Company's stockholders and who have voting power to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all stockholders entitled to vote thereon were present and voted. Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws of the Corporation may provide.

2. Books and Records. The books and records of the Corporation may be kept (subject to any provision contained in the General Corporation Law) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

ARTICLE VII

LIMITATION OF LIABILITY

1. Limitation of Liability. No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law as the same exists or may hereafter be amended. If the General Corporation Law is amended hereafter to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent authorized by the General Corporation Law, as so amended. Any repeal or modification of this Article VII shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE VIII

INDEMNIFICATION

1. Directors and Officers. The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding

(or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article VIII shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition upon receipt of an undertaking by or on behalf of the director or officer receiving advancement to repay such amount if it shall ultimately be determined that such person is not entitled to indemnification under this Article VIII.

2. Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

3. Not Exclusive. The rights to indemnification and to the advance of expenses conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation, the By-Laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

4. No Adverse Modification. Any repeal or modification of this Article VIII by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

ARTICLE IX

AMENDMENTS

1. By-Laws. The Board of Directors shall have the power to adopt, amend or repeal By-Laws of the Corporation, subject to the right of the stockholders of the Corporation to adopt, amend or repeal any By-law.

2. Certificate of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed by statute and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be duly executed this 16th day of June, 2010.

IDQ ACQUISITION CORP.

By: 

Name: Howard Weiss
Title: Vice President, Chief Financial Officer and
Treasurer

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
IDQ ACQUISITION CORP.

IDQ Acquisition Corp., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), does hereby certify as follows:

(a) Article IV(2)(d)(iv) of the Corporation's Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

(iv) Redemption.

The Corporation, at the option of the Board of Directors, may redeem all or, from time to time, any portion of the Series A Preferred Stock by paying therefor in cash the sum of \$100.00 per share, plus all accrued and unpaid dividends thereon, as of the date fixed for redemption, adjusted accordingly for any conversion, exchange, stock split or other reclassification, consolidation, reorganization or similar transaction, such sum being hereinafter referred to as the "Redemption Price." The redemption of all or any portion of the Series A Preferred Stock may be conditioned upon the happening of a specified event, provided that such condition and event is described in a notice to holders of the Series A Preferred Stock. At least two (2) days previous notice, in the manner set forth in the By-Laws of the Corporation, shall be given to holders of record of the Series A Preferred Stock to be redeemed. On the date fixed for redemption and stated in such notice, and subject to the satisfaction of any conditions set forth in such notice, each holder of Series A Preferred Stock called for redemption shall surrender his certificate for such shares to the Corporation at the place designated in such notice and shall thereupon be entitled to receive payment of the Redemption Price. If less than all the Series A Preferred Stock represented by any such surrendered certificate is so redeemed, a new certificate shall be issued representing the unredeemed Series A Preferred Stock. At any time after giving notice of redemption of all or any part of the Series A Preferred Stock, and subject to the satisfaction of any conditions set forth in such notice, the Corporation may deposit with a bank or trust company, as a trust fund for the benefit of the holders of the Series A Preferred Stock called for redemption, an amount in cash sufficient to pay the redemption of such Series A Preferred Stock. After the making of such deposit, such Series A Preferred Stock shall not be deemed to be outstanding for any purpose and the rights of the holders thereof shall be limited to the right to receive payment of the redemption price from such fund upon surrender of the certificates. Subject to the provisions thereof, the Board of Directors shall have the authority to

prescribe the manner in which all or part of the outstanding Series A Preferred Stock shall be redeemed; provided that any such redemption will be pro rata among all holders of Series A Preferred Stock in accordance with the number of shares of Series A Preferred Stock held by each such holder.

(b) The foregoing amendment was duly adopted in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed this 12 day of December, 2011.

IDQ ACQUISITION CORP.

By: _____

Name: Leonard M. Harlan

Title: President and CEO

A handwritten signature in black ink, appearing to read "L. M. Harlan", written over a horizontal line.

[Certificate of Amendment Signature Page]

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
IDQ ACQUISITION CORP.

IDQ Acquisition Corp., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), does hereby certify as follows:

- (a) Subsection 2(d) of Article IV of the Corporation's Amended and Restated Certificate of Incorporation is hereby deleted in its entirety.
- (b) The foregoing amendment was duly adopted in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed this 16 day of December, 2011.

IDQ ACQUISITION CORP.

By: 

Name: Howard Weiss

Title: Vice President, Chief Financial Officer, and Treasurer

[Certificate of Amendment Signature Page]

BY-LAWS
OF
IDQ ACQUISITION CORP.
A Delaware Corporation
Effective May 7, 2010

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BY-LAWS

OF

IDQ ACQUISITION CORP.

(hereinafter called the "Corporation")

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors.

Section 2. Annual Meetings. The Annual Meeting of Stockholders for the election of directors shall be held on such date and at such time as shall be designated from time to time by the Board of Directors. Any other proper business may be transacted at the Annual Meeting of Stockholders.

Section 3. Special Meetings. Unless otherwise required by law or by the certificate of incorporation of the Corporation, as amended and restated from time to time (the "Certificate of Incorporation"), Special Meetings of Stockholders, for any purpose or purposes,

may be called by either (i) the Chairman, if there be one, or (ii) the President, (iii) any Vice President, if there be one, (iv) the Secretary or (v) any Assistant Secretary, if there be one, and shall be called by any such officer at the request in writing of (i) the Board of Directors, (ii) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority include the power to call such meetings or (iii) stockholders owning a majority of the capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. At a Special Meeting of Stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

Section 4. Notice. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a Special Meeting, the purpose or purposes for which the meeting is called. Unless otherwise required by law, written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to notice of and to vote at such meeting.

Section 5. Adjournments. Any meeting of the stockholders may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting in accordance with the requirements of Section 4 hereof shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 6. Quorum. Unless otherwise required by applicable law or the Certificate of Incorporation, the holders of a majority of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, in the manner provided in Section 5 hereof, until a quorum shall be present or represented.

Section 7. Voting. Unless otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of the stockholders, other than the election of directors, shall be decided by the vote of the holders of a majority of the total number of votes of the Corporation's capital stock represented and entitled to vote thereat, voting as a single class. Unless otherwise provided in the Certificate of Incorporation, and subject to Section 11(a) of this Article II, each stockholder represented at a meeting of the stockholders shall be entitled to cast one (1) vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy as provided in Section 8 of this Article II. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of the stockholders, in such officer's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 8. Proxies. Each stockholder entitled to vote at a meeting of the stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder as proxy, but no such proxy

shall be voted upon after three years from its date, unless such proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, the following shall constitute a valid means by which a stockholder may grant such authority:

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, telegram or cablegram, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram or cablegram was authorized by the stockholder. If it is determined that such telegrams, cablegrams or other electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information on which they relied.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission, telegram or cablegram authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission, telegram or

cablegram for any and all purposes for which the original writing or transmission, telegram or cablegram could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing, telegram or cablegram.

Section 9. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered in the manner required by this Section 9 to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used

in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided above in this Section 9.

Section 10. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be

open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 11. Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of the stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting,

when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 12. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 10 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

Section 13. Conduct of Meetings. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the

following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

Section 14. Inspectors of Election. In advance of any meeting of the stockholders, the Board of Directors, by resolution, the Chairman or the President shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors. The Board of Directors shall consist of not less than one nor more than fifteen members, the exact number of which shall

initially be fixed by the Incorporator and thereafter from time to time by the Board of Directors. Except as provided in Section 2 of this Article III, directors shall be elected by a plurality of the votes cast at each Annual Meeting of Stockholders and each director so elected shall hold office until the next Annual Meeting of Stockholders and until such director's successor is duly elected and qualified, or until such director's earlier death, resignation or removal. Directors need not be stockholders.

Section 2. Vacancies. Unless otherwise required by law or the Certificate of Incorporation, vacancies arising through death, resignation, removal, an increase in the number of directors or otherwise may be filled only by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier death, resignation or removal.

Section 3. Duties and Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 4. Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the President, or by any director. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than

forty-eight (48) hours before the date of the meeting, by telephone or telegram on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 5. Organization. At each meeting of the Board of Directors, the Chairman of the Board of Directors, or, in his or her absence, a director chosen by a majority of the directors present, shall act as chairman. The Secretary of the Corporation shall act as secretary at each meeting of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 6. Resignations and Removals of Directors. Any director of the Corporation may resign at any time, by giving notice in writing to the Chairman of the Board of Directors, the President or the Secretary of the Corporation. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by applicable law and subject to the rights, if any, of the holders of shares of preferred stock then outstanding, any director or the entire Board of Directors may be removed from office at any time by the affirmative vote of the holders of at least a majority in voting power of the issued and outstanding capital stock of the Corporation entitled to vote in the election of directors.

Section 7. Quorum. Except as otherwise required by law or the Certificate of Incorporation, at all meetings of the Board of Directors, a majority of the entire Board of

Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 8. Actions of the Board by Written Consent. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 9. Meetings by Means of Conference Telephone. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 9 shall constitute presence in person at such meeting.

Section 10. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The

Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 11. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for service as director, payable in cash or securities. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members.

Section 12. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the

meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be chosen a Chief Executive Officer, Chief Financial Officer, a President, a Secretary and a Treasurer. The Board of Directors, in its discretion, also may choose a Chairman of the Board of Directors (who must be a director) and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors, at its first meeting held after each Annual Meeting of Stockholders (or action by written consent of stockholders in lieu of the Annual Meeting of Stockholders), shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the President or any Vice President or any other officer authorized to do so by the Board of Directors and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors shall be the Chief Executive Officer of the Corporation, unless the Board of Directors designates the President as the Chief Executive Officer, and, except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 5. Chief Executive Officer. Subject to the provisions of these By- Laws and to the direction of the Board of Directors, the Chief Executive Officer shall have ultimate authority for decisions relating to the general management and control of the affairs and business of the Corporation and shall perform such other duties and exercise such other powers which are or from time to time may be delegated to him or her by the Board of Directors or these By-Laws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors.

Section 6. Chief Financial Officer. The Chief Financial Officer shall have general supervision, direction and control of the financial affairs of the Corporation and shall perform such other duties and exercise such other powers which are or from time to time may be delegated to him or her by the Board of Directors or these By-Laws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors. In the absence of

a named Treasurer, the Chief Financial Officer shall also have the powers and duties of the Treasurer as hereinafter set forth and shall be authorized and empowered to sign as Treasurer in any case where such officer's signature is required.

Section 7. President. The President shall, subject to the control of the Board of Directors and, if there be one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the President. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders and, provided the President is also a director, the Board of Directors. If there be no Chairman of the Board of Directors, or if the Board of Directors shall otherwise designate, the President shall be the Chief Executive Officer of the Corporation. The President shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by these By-Laws or by the Board of Directors.

Section 8. Vice Presidents. At the request of the President or in the President's absence or in the event of the President's inability or refusal to act (and if there be no Chairman of the Board of Directors), the Vice President, or the Vice Presidents if there are more than one (in the order designated by the Board of Directors), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions

upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 9. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman of the Board of Directors or the President, under whose supervision the Secretary shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest to the affixing by such officer's signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 10. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of the Treasurer and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

Section 11. Assistant Secretaries. Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 12. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of Assistant Treasurer and for the restoration to the Corporation, in case of the Assistant Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Assistant Treasurer's possession or under the Assistant Treasurer's control belonging to the Corporation.

Section 13. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V

STOCK

Section 1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation (i) by the Chairman of the Board of Directors, or the President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such stockholder in the Corporation.

Section 2. Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issuance of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or such owner's legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; provided, however, that such surrender and endorsement or payment of taxes shall not be required in any case in which the officers of the Corporation shall determine to waive such requirement. Every certificate exchanged, returned or surrendered to the Corporation shall be marked "Cancelled,"

with the date of cancellation, by the Secretary or Assistant Secretary of the Corporation or the transfer agent thereof. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 5. Dividend Record Date. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6. Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

ARTICLE VI

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under applicable law, the Certificate of Incorporation or these By-Laws shall be effective if given by a form of electronic transmission if consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed to be revoked if (i) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices by the Corporation in accordance with such consent and (ii) such inability becomes known to the Secretary or Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given by electronic transmission, as described above, shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network, together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. Notice to directors or committee members may be given personally or by telegram, telex, cable or by means of electronic transmission.

Section 2. Waivers of Notice. Whenever any notice is required by applicable law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any Annual or Special Meeting of Stockholders or any regular or special meeting of the directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the requirements of the General Corporation Law of the State of Delaware (the "DGCL") and the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting of the Board of Directors (or any action by written consent in lieu thereof in accordance with Section 8 of Article III hereof), and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper

as a reserve or reserves to meet contingencies, or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other

enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or

the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a

manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 or Section 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VIII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification

has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 and Section 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or Section 2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VIII.

Section 9. Certain Definitions. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VIII shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer,

employee or agent. For purposes of this Article VIII, references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VIII.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 of this Article VIII), the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

ARTICLE IX

AMENDMENTS

Section 1. Amendments. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors; provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of the stockholders or Board of Directors, as the case may be. All such amendments must be approved by either the holders of a majority of the outstanding capital stock entitled to vote thereon or by a majority of the entire Board of Directors then in office.

Section 2. Entire Board of Directors. As used in this Article IX and in these By-Laws generally, the term “entire Board of Directors” means the total number of directors which the Corporation would have if there were no vacancies.

* * *

Adopted as of: May 7, 2010

SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

OF

IDQ HOLDINGS, INC.

FIRST: The name of the Corporation is IDQ Holdings, Inc. (hereinafter the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, each having a par value of \$0.01.

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

- (1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.
- (2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.
- (3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.
- (4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing

violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article FIFTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SIXTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

SEVENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Second Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

* * * * *

BY-LAWS**OF****INTERDYNAMICS HOLDINGS, INC.****A Delaware Corporation****ARTICLE I****OFFICES**

Section 1 Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Section 2 Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II**MEETINGS OF STOCKHOLDERS**

Section 1 Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the president of the corporation.

Section 2 Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the president and shall be called by the president upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of any series or class of the corporation's Capital Stock.

Section 3 Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4 Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5 Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6 Quorum. Except as otherwise provided by applicable law or by the Certificate of Incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Section 7 Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8 Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Section 9 Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Section 10 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Section 11 Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

Section 1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2 Number, Election and Term of Office. The number of directors which shall constitute the first board shall be two (2). Thereafter, the number of directors shall be established in accordance with the Stockholders Agreement, dated as of March , 2002, by and among Interdynamics Holdings, Inc., Arsenal Capital Partners LP, Arsenal Capital Partners Executive Fund LP, Arsenal Capital Partners Purchaser Fund LP and the other persons who are a party thereto, as amended (for so long as the provisions governing the composition of the board of directors are in effect), and thereafter by resolution of the board. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3 Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Section 4 Vacancies. Except as otherwise provided by the Certificate of Incorporation of the corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Section 5 Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Section 6 Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the president or vice president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the president must call a special meeting on the written request of at least a majority of the directors.

Section 7 Quorum, Required Vote and Adjournment. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8 Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9 Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10 Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11 Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as

the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12 Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Section 1 Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a president, one or more vice presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Section 2 Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. The president shall appoint other officers to serve for such terms as he or she deems desirable. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3 Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4 Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5 Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6 The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. The Chairman of the Board shall, in the absence or disability of the president, act with all of the powers and be subject to all

the restrictions of the president. He shall advise the president, and in the president's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

Section 7 The President. The president shall be the chief executive officer of the corporation. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the president shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The president shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

Section 8 Vice-presidents. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

Section 9 The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the president's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the president or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the president, or secretary may, from time to time, prescribe.

Section 10 The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the president and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the president or these by-laws may, from time to time, prescribe. If required

by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the president or treasurer may, from time to time, prescribe.

Section 11 Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 12 Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1 Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the

corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2 Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3 Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4 Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5 Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6 Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7 Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8 Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1 Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, president, vice-president, secretary, or assistant secretary may be

facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2 Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3 Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 4 Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Section 5 Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 6 Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Section 1 Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before

payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2 Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3 Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4 Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6 Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7 Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the president, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8 Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's

interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9 Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10 Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

CERTIFICATE OF INCORPORATION

OF

INTERDYNAMICS, INC.

Under Section 402 of the Business Corporation Law

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the Business Corporation Law of the State of New York, do hereby certify:

FIRST: The name of this corporation is
INTERDYNAMICS, INC.

SECOND: The purposes for which this corporation is formed are as follows:

1. To engage in the business of manufacturing, ~~designing~~, creating, ~~engineering~~, compounding, developing, formulating, inventing, patenting, owning, acquiring, producing, processing, constructing, storing, applying, assembling, adapting, conducting, operating, using, preparing for market, exhibiting, distributing, installing, buying, selling, disposing, leasing, renting, mortgaging, exploiting, licensing, exchanging, reconstructing, repairing, importing, exporting, and generally dealing in and with electronic, and automotive equipment of every kind, nature, and description, and related lines pertaining to electronic and automotive supplies, materials, machines, and apparatus employed in or related to the manufacture of such wares.

2. To engage in the business of manufacturing of automotive equipment, electronic equipment, and all kinds of equipment manufactured for automobiles, vehicles of all types and general consumer goods.

To buy and sell, at wholesale or retail, import, export, manufacture, repair, prepare, use, and deal in,

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all electronic and automotive materials.

To apply for, purchase, register, lease, secure licenses for, or otherwise acquire, hold, own, use, operate, sell, grant licenses for, assign, or otherwise dispose of trade marks, trade names, patent rights, inventions, improvements, processes, and other similar rights.

3. To engage in any mercantile or trading business of any kind or character whatever, within or without the State of New York, buy and sell, as broker or agent or on its own account, at wholesale and retail, import and export, acquire, own, exchange, barter, transfer, contract, lease, encumber, prepare for market, package, distribute, ship, install, service, repair, alter, conduct, operate, and more particularly but without limiting the generality of the foregoing, to carry on in all its branches and to generally deal in consumer and commercial goods, automotive and electronic equipment, for new and used vehicles.

4. To borrow money for its corporate purposes, and to make, accept, endorse, execute and issue promissory notes, bills of exchange, bonds, debentures or other obligations from time to time, for the purchase of property, or for any purpose relating to the business of the company, and if deemed proper, to secure the payment of any such obligations by mortgage, pledge, guarantee, deed of trust or otherwise.

5. To lend its uninvested funds from time to time to such extent, on such terms and on such security, if any, as the Board of Directors of the corporation may determine.

6. In furtherance of its corporate business and subject to the limitations prescribed by statute, to be a promoter, partner, member, associate or manager of other business enterprises or ventures, or to the extent permitted in any other jurisdiction to be an incorporator of other corporations of any type or kind and to organize, or in any way participate in the

organization, reorganization, merger or liquidation of any corporation, association or venture and the management thereof.

7. To conduct its business in all or any of its branches, so far as permitted by law, in the State of New York and in all other states of the United States of America, in territories and the District of Columbia and in any or all dependencies or possessions of the United States of America, and in foreign countries; and to hold, possess, purchase, lease, mortgage and convey real and personal property and to maintain offices and agencies either within or outside the State of New York.

8. To carry out all or any part of the foregoing purposes as principal, factor, agent, broker, contractor or otherwise, either along or in conjunction with any persons, firms, associations, corporations or others in any part of the world; and in carrying on its business and for the purposes of attaining or furthering any of its purposes, to make and perform contracts of any kind and description, and to do anything and everything necessary, suitable, convenient, or proper for the accomplishment of any of the purposes herein enumerated.

9. To acquire by lease, purchase, contract, concession or otherwise, and to own, develop, explore, improve, operate, lease, enjoy, control, manage or otherwise and to mortgage, grant, sell, exchange, convey or otherwise dispose of any and all real estate, lands, option, concessions, grants, land patents, franchises, interests and property of every description and nature whatsoever which the corporation may deem wise and proper in connection with the conduct of any business enumerated in these articles of incorporation.

10. The foregoing clauses are to be constructed

both as objects and powers; the enumeration herein of specific objects and powers shall not be held to limit or restrict in any manner the powers of this corporation and the corporation shall do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or objects hereinabove enumerated either alone or in association with other corporations, firms or individuals to the same extent and as fully as individuals might or could do as principals, agents, contractors, or otherwise.

11. The corporation, in furtherance of its corporate purposes above set forth, shall have all of the powers enumerated in Section 202 of the Business Corporation Law, subject to any limitations provided in the Business Corporation Law or any other statute of the State of New York.

THIRD: The office of the corporation is to be located in the City of New York, County of Kings, and State of New York.

FOURTH: The presence in person or by proxy of the holders of two-thirds of all of the shares entitled to vote thereat, shall be necessary to constitute a quorum at a meeting of shareholders for the transaction of any business.

FIFTH: A quorum of the Board of Directors for the transaction of any and all business at any and all meeting at the Board of Directors shall constitute two-thirds of the members of the entire Board of Directors, and a two-thirds vote of the entire Board of Directors shall be necessary for the transaction of any and all business and shall constitute the act of the Board.

SIXTH: The aggregate number of shares which the corporation shall have the authority to issue is two hundred

(200) shares, all of which are to be without par value.

SEVENTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is Building 127, Brooklyn Navy Yard, Brooklyn, New York.

~~EIGHTH: The duration of the said corporation shall be perpetual.~~

NINTH: The directors of said corporation need not be stockholders.

IN WITNESS WHEREOF, this Certificate has been executed this 24th day of July, 1970.

Diane Kutny 333 Broadway, Jericho, New York
DIANE KUTNY

Barbara Jilnicki 333 Broadway, Jericho, New York
BARBARA JILNICKI

Arthur M. Strauss 333 Broadway, Jericho, New York
ARTHUR STRAUSS

STATE OF NEW YORK
COUNTY OF NASSAU) ss.:

On this 24th day of July, 1970, before me personally came DIANE KUTNY, BARBARA JILNICKI and ARTHUR STRAUSS, to me known to be the persons described in and who executed the foregoing Certificate of Incorporation and they thereupon duly acknowledged to me that they executed the same.

STUART L. GASTWIRTH
Notary Public, State of New York
No. 30-6470692
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 30, 1972

Stuart L. Gastwirth
STUART L. GASTWIRTH

CERTIFICATE OF RESERVATION

#3687

STATE OF NEW YORK

DEPARTMENT OF STATE *USC*

I DO HEREBY CERTIFY TO THE

RESERVATION OF NAME
(corporation name)

OF

INTERDYNAMICS, INC.

ON

(Date filed)

July 8, 1970

TO BE FILMED AS MICROFILM FRAME NUMBER:

845162-1

THE ABOVE CORPORATE NAME HAS BEEN RESERVED FOR A PERIOD OF
SIXTY DAYS FROM THE ABOVE DATE FOR THE USE OF

HENRY LERNER, ESQ.

FOR

creation of a domestic corporation

John P. Longino
Secretary of State

NAME
AND
ADDRESS
OF
FILER

**LEVI SOHN, NINER & LERNER
535 FIFTH AVENUE
NEW YORK, NEW YORK**

CHK: M.O. CASH

\$ 10.00

\$10.00 CERTIFICATE

TOTAL **\$10.00**

REFUND OF \$

TO FOLLOW

CERTIFICATE OF RESERVATION MUST ACCOMPANY CERTIFICATE OF INCORPORATION
OR APPLICATION OF AUTHORITY WHEN PRESENTED FOR FILING.

NOTICE OF SERVICE

Every copy of this notice that the within is a (certified) copy shall be filed with the clerk of the within named herein.

Agency for
SEMOM & GASTWIRTH
Office and Post Office Address
333 Broadway
JERICHO, N. Y. 11753

To

Attorney(s) for

SEI - Please take notice that in order

of which the within is a true copy will be presented for endorsement to the Hon.

one of the Judges of the within named Court, at

on the day of

at

at

SEMOM & GASTWIRTH

Office and Post Office Address
333 Broadway
JERICHO, N. Y. 11753

Attorney(s) for

To

Attorney(s) for

SEI - Please take notice that in order

of which the within is a true copy will be presented for endorsement to the Hon.

one of the Judges of the within named Court, at

on the day of

at

at

SEMOM & GASTWIRTH

Office and Post Office Address
333 Broadway
JERICHO, N. Y. 11753

Delivered to
Don Freeman
7/29

78176 841762-1

CERTIFICATE OF INCORPORATION

OF

INTERDYNAMICS, INC.

110

SEMOM & GASTWIRTH

Office and Post Office Address, Telephone
333 Broadway
JERICHO, N. Y. 11753
(516) 338-6855

Attorney(s) for

To

Attorney(s) for

Service of a copy of this within

is hereby acknowledged.

at

at

at

Attorney(s) for

To

Attorney(s) for

SEI - Please take notice that in order

of which the within is a true copy will be presented for endorsement to the Hon.

one of the Judges of the within named Court, at

on the day of

at

at

SEMOM & GASTWIRTH

Office and Post Office Address
333 Broadway
JERICHO, N. Y. 11753

Attorney(s) for

To

849810 -7

STATE OF NEW YORK
DEPARTMENT OF STATE
JUL 22 1970
FILED
10
TAM &
SECRETARY OF STATE

P. J. Murphy
Secretary of State

7

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION OF
INTERDYNAMICS, INC.

UNDER SECTION 805 of the BUSINESS CORPORATION LAW

The undersigned, being the President and Treasurer of
INTERDYNAMICS, INC., do hereby certify and set forth:

1. The name of the corporation is INTERDYNAMICS, INC.
The name under which the corporation was formed is INTERDYNAMICS,
INC.

2. The certificate of incorporation of INTERDYNAMICS,
INC. was filed by the Department of State on July 27, 1970.


3. Paragraph Seventh of the Certificate of Incorporation of INTERDYNAMICS, INC. designates Building 127, Brooklyn Navy Yard, Brooklyn, New York as the post office address to which the Secretary of State of the State of New York shall mail a copy of any process against the corporation served upon him.

4. Paragraph Seventh of the Certificate of Incorporation is hereby amended as follows:

1) INTERDYNAMICS, INC. designates the offices of SEMON & BRAVERMAN, 333 Broadway, Jericho, New York 11753, as the post office address to which the Secretary of State of the State of New York shall mail a copy of any process against the corporation served upon him.

5. The manner in which this amendment to the Certificate of Incorporation of INTERDYNAMICS, INC. was authorized was by the affirmative vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of the shareholders of said corporation duly called and held on June 1, 1976.


Joseph Trachtenberg, President


Ira Trachtenberg, Treasurer -
Secty

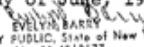
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STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

JOSEPH TRACHTENBERG, being duly sworn, deposes and says that deponent is the President of INTERDYNAMICS, INC., the corporation named in the within Certificate of Amendment; deponent has read the Certificate of Amendment, knows the contents thereof; and that the same is true to deponent's own knowledge. This verification is made by deponent because INTERDYNAMICS, INC. is a domestic corporation. Deponent is an officer thereof, to wit, its President. The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: personal knowledge thereof.


Joseph Trachtenberg, Pres.

Sworn to before me this
30th day of June, 1976

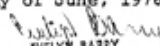

EVELYN BARRY
NOTARY PUBLIC, State of New York
No. 30-4512677
Qualified in Nassau County, N.Y.
Commission Expires March 30, 1977

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

IRA TRACHTENBERG, being duly sworn, deposes and says that deponent is the ^{Secty-}Treasurer of INTERDYNAMICS, INC., the corporation named in the within Certificate of Amendment; deponent has read the Certificate of Amendment, knows the contents thereof; and that the same is true to deponent's own knowledge. This verification is made by deponent because INTERDYNAMICS, INC. is a domestic corporation. Deponent is an officer thereof, to wit, its ^{Secty-}Treasurer. The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: personal knowledge thereof.


Ira Trachtenberg, Treasurer-
Secty.

Sworn to before me this
30th day of June, 1976.


EVELYN BARRY
NOTARY PUBLIC, State of New York
No. 30-4512677
Qualified in Nassau County, N.Y.
Commission Expires March 30, 1977

A332791

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CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION

INTERDYNAMICS, INC.

STATE OF NEW YORK
DEPARTMENT OF STATE
TAX & *State*
FILING FEE \$ *30*
FILED AUG 2 - 1976

[Signature]
Secretary of State

XL2

SEMON, *[Redacted]* & BRAVERMAN
COUNSELLORS AT LAW
333 BROADWAY
JERICHO, N. Y. 11753
(516) 936-4835

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CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
INTERDYNAMICS, INC.

XL

Under Section 805 of the Business Corporation Law

The undersigned, being the President and Secretary-Treasurer of INTERDYNAMICS, INC. do hereby certify and set forth:

1. The name of the corporation is INTERDYNAMICS, INC. The name under which the corporation was formed is INTERDYNAMICS, INC.
2. The Certificate of Incorporation of INTERDYNAMICS, INC. was filed by the Department of State on July 27, 1970.

B674011

B674011

4. Paragraph 4th


of the Certificate of Incorporation is hereby further amended as follows:

The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is: Semon and Mondscheln 100 Crossway Park West, Woodbury NY 11797

5. The manner in which this Amendment of the Certificate of Incorporation of INTERDYNAMICS, INC. was authorized first by vote of the board of directors and then by the affirmative vote of the holders of the majority of all outstanding

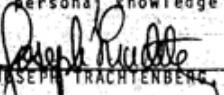
shares entitled to vote thereon at a meeting of the shareholders of said corporation duly called and held on June 14, 1988.


JOSEPH TRACHTENBERG, President


IRA TRACHTENBERG, Secretary-Treasurer

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

JOSEPH TRACHTENBERG, being duly sworn, deposes and says that deponent is the President of INTERDYNAMICS, INC., the corporation named in the within Certificate of Amendment; deponent has read the Certificate of Amendment, knows the contents thereof; and that the same is true to deponent's own knowledge. This verification is made by deponent because INTERDYNAMICS, INC. is a domestic corporation. Deponent is an officer thereof, to wit, its President. The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: personal knowledge thereof.


JOSEPH TRACHTENBERG, President

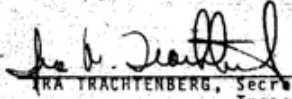
Sworn to before me this
27th day of July, 1988


Notary Public

BARBARA A. BARRONE
Notary Public, State of New York
No. 4511912
Qualified in New York County
Commission Expires March 31, 1989

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

IRA TRACHTENBERG, being duly sworn, deposes and says that deponent is the Secretary-Treasurer of INTERDYNAMICS, INC., the corporation named in the within Certificate of Amendment; deponent has read the Certificate of Amendment, knows the contents thereof; and that the same is true to deponent's own knowledge. This verification is made by deponent because INTERDYNAMICS, INC. is a domestic corporation. Deponent is an officer thereof, to wit, its Secretary-Treasurer. The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: personal knowledge thereof.


IRA TRACHTENBERG, Secretary-Treasurer

Sworn to before me this
29th day of July, 1988


Notary Public

BARBARA A. BARRONE
Notary Public, State of New York
No. 4511912
Qualified in New York County
Commission Expires March 31, 1989

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STATE OF NEW YORK
DEPARTMENT OF STATE

FILED AUG 15 1988

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DATE	<i>8/15</i>

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CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
INTERDYNAMICS, INC.

FILED

SEMON & MONDSHEIN
COUNSELLORS AT LAW
333 BROADWAY
JERSEY CITY, N. J. 07310
(201) 526-8888

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333 *Livingston*

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CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
INTERDYNAMICS, INC.

Under Section 805 of the Business Corporation Law

The undersigned, being the President and Secretary-Treasurer of INTERDYNAMICS, INC. do hereby certify and set forth:

1. The name of the corporation is INTERDYNAMICS, INC. The name under which the corporation was formed is INTERDYNAMICS, INC.

2. The Certification of Incorporation of INTERDYNAMICS, INC. was filed by the Department of State on July 27, 1970.


3. Paragraph Sixth of the Certificate of Incorporation is hereby further amended as follows:

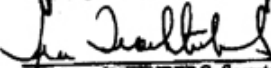
1) The aggregate number of shares which the corporation shall have the authority to issue is changed from two hundred (200) shares, all of which are without par value, to eighteen thousand (18,000) shares, all of which are without par value.

2) To effect such amendment, Paragraph Sixth of the Certificate of Incorporation shall now read as follows: "The aggregate number of shares which the corporation shall have the authority to issue is eighteen thousand (18,000) shares, all of which are without par value."

4. The manner in which this Certificate of Amendment of the Certificate of Incorporation of INTERDYNAMICS, INC. was authorized was by the joint unanimous written

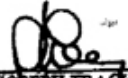
consent of the Board of Directors and the holders of all of the outstanding shares of said corporation dated as of July 11, 2001.


JOSEPH TRACHTENBERG, President

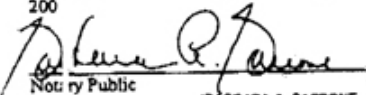

IRA TRACHTENBERG, Secretary-Treasurer

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

JOSEPH TRACHTENBERG, being duly sworn, deposes and says that deponent is the President of INTERDYNAMICS, INC., the corporation named in the within Certificate of Amendment; deponent has read the Certificate of Amendment, knows the contents thereof; and the same is true to deponent's own knowledge. This verification is made by deponent because INTERDYNAMICS, INC. is a domestic corporation. Deponent is an officer thereof, to wit, its President. The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: personal knowledge thereof.


JOSEPH TRACHTENBERG, President

Sworn to before me this 11 day of July,
2001


Notary Public


BARBARA A. BARONE
Notary Public, State of New York
No. 4811812
Qualified Except Corporations
Commission Expires December 31, 2007

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

IRA TRACHTENBERG, being duly sworn, deposes and says that deponent is the Secretary-Treasurer of INTERDYNAMICS, INC., the corporation named in the within Certificate of Amendment; deponent has read the Certificate of Amendment, knows the contents thereof, and that the same is true to deponent's own knowledge. This verification is made by deponent because INTERDYNAMICS, INC. is a domestic corporation. Deponent is an officer thereof, to wit, its Secretary-Treasurer. The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows: personal knowledge thereof.


IRA TRACHTENBERG, Secretary-Treasurer

Sworn to before me this 17 day of July,
2001


Notary Public

BARBARA A. BARRONE
Notary Public, State of New York
No. 4511812
Qualified Kings County/Suffolk
Commission Expires December 31, 2001

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CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION OF
INTERDYNAMICS, INC.

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

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STATE OF NEW YORK
DEPARTMENT OF STATE

JUL 19 2008

FILED
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BY: [Signature]

[Signature]

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Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038

DRAWDOWN
846

AMENDED AND RESTATED**BYLAWS****OF****INTERDYNAMICS, INC.**

A New York Corporation

(March 7, 2002)

ARTICLE I**OFFICES**

Section 1. The principal office of the Corporation shall be located in such City, County and State as the Board of Directors may, from time to time, determine and the business may require. The Corporation may also maintain offices at other places within or without the State of New York as the Board of Directors may, from time to time, determine and the business may require.

ARTICLE II**MEETINGS OF SHAREHOLDERS**

Section 1. Place and Time of Meetings. An annual meeting of the shareholders shall be held each year for the purpose of electing directors and conducting such other proper business as come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the president of the corporation.

Section 2. Special Meetings. Special meetings of shareholders, for any purpose or purposes unless otherwise prescribed by statute or by Certificate of Incorporation, may be called by the President or by the Secretary and shall be called by the President or by the Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of the Shareholders owning a majority in amount of the entire capital stock of the Corporation issued and outstanding entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of the shareholders shall be limited to the purposes stated in the notice.

Section 3. Place of Meetings. The board of directors may designate any place, either within or without the State of New York, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4. Notice. Whenever shareholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each shareholder entitled to vote at such meeting

Section 5. Books and Records. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board of directors and executive committee, if any, and shall keep at the office of the Corporation in New York or at the office of its transfer agent or registrar in New York, a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. Any person who shall have been a shareholder of record of a corporation for at least six months immediately preceding his demand, or any person holding, or thereunto authorized in writing by the holders of, at least five percent of any class of the outstanding shares, upon at least five days written demand shall have the right to examine in person or by agent or attorney, during usual business hours, its minutes of the proceedings of shareholders and to make extracts therefrom.

Section 6. Fixing a Record Date. For the purpose of determining the shareholders entitled to notice or to vote at any meeting of shareholders or any adjournment thereof, or to express consent or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action. The officer or agent of the corporation having charge of the books of the corporation shall make, not more than fifty but not less than ten days before the date of such meeting or such action, a complete list of the shareholders of the corporation.

Section 7. Quorum. The holders of a majority of the outstanding shares of capital stock, present in person or represented by proxy, shall constitute a quorum at all meetings of the shareholders, except as otherwise provided by statute or by the certificate of incorporation. If a quorum is not present, the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place.

Section 8. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If after the adjournment, the board of directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to such notice.

Section 9. Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. Voting Rights. Except as otherwise provided by the Business corporation Law of the State of New York or by the certificate of incorporation of the corporation or any

amendments thereto and subject to Section 3 of Article VI hereof, every shareholder of record shall at every meeting of the shareholders be entitled to one vote in person or by proxy for each share of common stock held by such shareholder.

Section 11. Proxies. Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after eleven months from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power.

Section 12. Action by Written Consent. Unless otherwise provided in the certificate of incorporation, each shareholder entitled to vote on an action or matter are permitted to take any action which may be taken at an annual or special meeting of shareholders of the corporation, such action may be taken without a meeting, if written consent or consents, without prior notice and without a vote, setting forth the action so taken and bearing the dates of signatures of the shareholders who signed, shall be signed by the holders of all outstanding shares that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of New York, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of shareholders are recorded or written consents in lieu of meetings are kept. All consent properly delivered in accordance with this section shall be deemed to be recorded when is delivered. Any action taken pursuant to such written consent or consents of the shareholders shall have the same force and effect as if taken by the shareholders at a meeting thereof.

ARTICLE III

DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2. Number, Election and Term of Office Time number of directors shall be established in accordance with the Stockholders Agreement, dated as of March , 2002, by and among Interdynamics Holdings, Inc., Arsenal Capital Partners LP, Arsenal Capital Partners Executive Fund LP, Arsenal Capital Partners Purchaser Fund LP and the other persons who are a party thereto, as amended (for so long as the provisions governing the composition of the board of directors are in effect), and thereafter by resolution of the board of directors and subject to the limitation by statute, providing that the number of the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the shareholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Section 4. Vacancies. Vacancies including vacancies created by the removal of director or directors without cause and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director.

Section 5. Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of shareholders.

Section 6. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board of directors. Special meetings of the board of directors may be called by or at the request of the president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph, in like manner and on like notice the president must call a special meeting on the written request of at least one of the directors.

Section 7. Quorum, Required Vote and Adjournment. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The board of directors, by resolution passed by a majority of the entire board of directors, may designate from among its members an executive committee and other committees; each committee to consist of two or more of the directors of the corporation, which to the extent provided in such resolution or these bylaws shall have all the authority of the board of directors except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member or members at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9. Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. In the event

that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board of directors or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at the meeting.

Section 11. Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting prior to the conclusion of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12. Action by Written Consent. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing to the adoption of a resolution authorizing the action, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the board of directors and shall consist of a president, one or more vice-presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person except the offices of president and secretary. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of shareholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6. The President. The president shall be the chief executive officer of the corporation; shall preside at all meetings of the shareholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The president shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these bylaws.

Section 7. Vice-presidents. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors the president or these bylaws may, from time to time, prescribe.

Section 8. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the shareholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the president's supervision, the secretary shall give, or cause to be given, all notices required to be given by these bylaws or by law; shall have such powers and perform such duties as the board of directors, the president or these bylaws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the president, or secretary may, from time to time, prescribe.

Section 9. The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the president and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the president or these bylaws may, from time to time, prescribe. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the president or treasurer may, from time to time, prescribe.

Section 10. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 11. Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, may shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the Business corporation Law of the State of New York, as the same exists or may hereafter be amended against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Business corporation Law of the State of New York for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Business Corporation Law of the State of New York, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Article Not Exclusive. The rights to indemnification granted and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

Section 4. Insurance. The corporation may purchase and maintain insurance to (i) indemnify the corporation for any obligation which it incurs as a result of the indemnification of directors and officers and other corporate personnel entitled by contract, under law or otherwise as set forth herein under this Article V; (ii) indemnify directors and officers and other corporate personnel entitled by contract, under law or otherwise as set forth herein in instances in which they may be indemnified by the corporation under the provisions of this Article V; and (iii) indemnify directors and officers and other corporate personnel entitled by contract, under law or otherwise as set forth herein in instances in which they may not otherwise be indemnified by the corporation under the provisions of this Article V provided that the contract of insurance covering such directors and officers and other corporate personnel.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7. Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the Business corporation Law of the State of New York or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1. Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though

the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2. Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen; or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. Fixing a Record Date for Determination of Shareholders. For the purpose of determining the shareholders entitled to vote at any meeting a shareholder or any adjournment thereof, or to express consent or to dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the board of directors may fix, in advance, a date as the record date for any such determination of shareholders, such date shall not be more than fifty nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action. If no record date is fixed by the board of directors, the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day on which the meeting is held. The record date for determining shareholders for any purpose other than the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, shall be at the close of business on the day on which the resolution of the board relating thereto is adopted. A determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders shall apply to any adjournment thereof, unless the board of directors fixed a new record date for the adjourned meeting.

Section 4. Registered Shareholders. Prior to the surrender to the corporation of the certificate or certificates for a share or shares of stock with a request to record the transfer of such share or shares, the corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications, and otherwise to exercise all the rights and powers of an owner.

Section 5. Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation or the board of directors may declare a forfeiture.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, including the shares or bonds of other corporations, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3. Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. Any loan made by the corporation to any director or officers of the corporation shall not be made unless authorized by vote of the shareholders. For this purpose, the shares of the director who would be the borrower shall not be shares entitled to vote.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6. Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, New York". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the president, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. Any person who shall have been a shareholder of record of the corporation for at least six months immediately preceding his demand, or any person holding, or thereunto authorized in writing by the holders of at least five percent of any class of the outstanding shares, upon at least five days written demand shall have the right to examine in person or by agent or attorney, during usual business hours, its minutes of the proceedings of its shareholders and record of shareholders and to make extracts therefrom.

Section 9. Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the Business Corporation Law of the State of New York or any other applicable law, the provision of these bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These bylaws may be amended, altered, or repealed and new bylaws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the bylaws has been conferred upon the board of directors shall not divest the shareholders of the same powers.

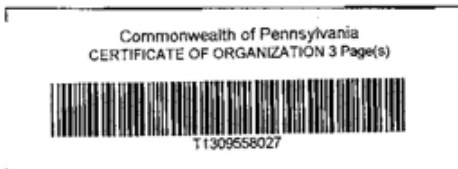
**PENNSYLVANIA DEPARTMENT OF STATE
 CORPORATION BUREAU**

**Certificate of Organization
 Domestic Limited Liability Company
 (15 Pa.C.S. § 8913)**

Entity Number:

Name Melissa K. Falk			Document will be returned to the name and address you enter to the left. ←
Address c/o Barley Snyder 126 E. King Street			
City Lancaster	State PA	Zip Code 17602	

Fee: \$100



In compliance with the requirements 15 Pa.C.S. § 8913 (relating to certificate of organization), the undersigned desiring to organize a limited liability company, hereby certifies that:

1. The name of the limited liability company (*designator is required, i.e., "company," "limited" or "limited liability company" or abbreviation*):

National Openings, LLC

2. The (a) address of the limited liability company's initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and Street	City	State	Zip	County
18 Richard Drive	Litz	PA	17543	Lancaster

(b) Name of Commercial Registered Office Provider _____ County _____

c/o: _____

3. The name and address, including street and number, if any, of each organizer is (*all organizers must sign on page 2*):

Name	Address
Melissa K. Falk	c/o Barley Snyder 126 E. King Street Lancaster, PA 17602

4. ~~Strike out if inapplicable term~~
~~A member's interest in the company is to be evidenced by a certificate of membership interest.~~

5. ~~Strike out if inapplicable:~~
~~Management of the company is vested in a manager or managers.~~

6. The specified effective date, if any: upon filing
month/day/year hour, if any

7. ~~Strike out if inapplicable: The company is a restricted professional company organized to render the following restricted professional service(s):~~

8. The company shall have perpetual existence.

IN TESTIMONY WHEREOF, the organizer(s) has/have
signed this Certificate of Organization this 1st day of
April, 2013.
Melissa K Falk
Melissa K. Falk, Organizer

AMENDED & RESTATED OPERATING AGREEMENT

OF

NATIONAL OPENINGS, LLC
A Pennsylvania Limited Liability Company

THIS AMENDED & RESTATED OPERATING AGREEMENT (this “**Agreement**”) of National Openings, LLC (the “**Company**”), dated this 1st day of October, 2014, is entered into by and between Spectrum Brands, Inc., the sole member of the Company (“**Member**”), and the Company, and amends and restates that certain Operating Agreement, effective as of April 1, 2013, by and between Patrick J. Tell, as the initial sole member of the Company, and the Company.

ARTICLE I - ORGANIZATION

1.1 Formation. The Company was organized as a Pennsylvania limited liability company by the filing of a Certificate of Organization on April 1, 2013 (“**Certificate**”) with the Pennsylvania Department of State under and pursuant to the Act.

1.2 Name. The name of the Company is “National Openings, LLC” and all Company business shall be conducted in that name or such other names that comply with applicable law as the Member may select from time to time.

1.3 Registered Principal Office; Other Offices. The registered principal office of the Company required by the Act to be maintained in the Commonwealth of Pennsylvania shall be 18 Richard Drive, Lititz PA 17543 or such other office (which need not be a place of business of the Company) as the Member may designate from time to time. The Company may have such other offices as the Member may designate from time to time.

1.4 Term. The Company commenced on the date the Certificate was filed with the Pennsylvania Department of State pursuant to Section 8913 of the Act, and shall continue in existence until terminated pursuant to the terms of this Agreement.

1.5 No State-Law Partnership. At any time when the Company shall have more than one Member the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, and no Member shall be a partner or joint venturer of any other Member, for any purposes other than federal and state tax purposes, and this Agreement shall not be construed to produce a contrary result.

1.6 Purposes and Activities. The Company is organized to engage in the business of selling and distributing commercial locks and door hardware, and to engage in and carry out such other lawful business or activity authorized by the Member. The Company is authorized and empowered to do any and all acts and things necessary, appropriate, advisable or convenient for the furtherance and accomplishment of the purposes and business of the Company described above.

ARTICLE II - MEMBERSHIP, DISPOSITIONS OF INTERESTS

2.1 Members. The sole Member of the Company is Spectrum Brands, Inc.

2.2 Additional Members. Additional Persons may be admitted to the Company as Members and Membership Interests may be created and issued to those Persons and to existing Members at the direction of and on such terms and conditions as may be determined by the Member. The terms of admission or issuance must specify the Sharing Ratios applicable thereto and may provide for the creation of different classes or groups of Members having different rights, powers, and duties. The creation of any new class or group shall be reflected in an amendment to this Agreement indicating the different rights, powers, and duties. Any such admission is effective only after the new Member has executed and delivered to the other Members a document including the new Member's notice address and its agreement to be bound by this Agreement.

2.3 Liability to Third Parties. No Member shall be liable for the debts, obligations or liabilities of the Company, including liability arising under a judgment, decree or order of a court.

2.4 No Certification. No Membership Interest in the Company shall be represented by a separate certificate.

ARTICLE III - CAPITAL CONTRIBUTIONS

3.1 Capital Contributions. Contemporaneously with the execution of this Agreement, Spectrum Brands, Inc. made a Capital Contribution as reflected on the books of the Company.

3.2 Additional Capital Contributions. Additional Capital Contributions shall be required only upon the written approval of all Members. Each Member shall contribute in cash to the Company the Member's Sharing Ratio of all required additional Capital Contributions. Unless a later date is specified in any notice of a required additional Capital Contribution, additional Capital Contributions shall be made within thirty (30) days after written notice of the required amount is given.

3.3 Interest. A Member is not entitled to be paid interest in respect of either its, his, or her capital account or its, his, or her Capital Contributions.

3.4 Capital Account. A capital account shall be established and maintained for each Member in accordance with Code Section § 704 and Treas. Reg. § 1.704-1. On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. § 1.704-1(b)(2)(iv)(1).

ARTICLE IV - ALLOCATIONS AND DISTRIBUTIONS

4.1 Allocations.

(a) For as long as the Company has one Member, all items of income, gain, loss, deduction, and credit of the Company shall be allocated to that Member.

(b) At such time as the Company shall have more than one Member:

(i) The Members shall in writing specify the Sharing Ratios of all Members.

(ii) Except as may be otherwise required by Code Section 704(c) and Treas. Reg. § 1.704-1(b)(2)(iv)(f)(4), all items of income, gain, loss, deduction, and credit of the Company shall be allocated among the Members in accordance with their Sharing Ratios.

(iii) All items of income, gain, loss, deduction, and credit allocable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest, without regard to the results of Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under Section 706 of the Code and the regulations thereunder.

4.2 Distributions.

(a) The Company shall use its best efforts to distribute sufficient cash to the Member(s) to enable them to pay federal, state, and local income taxes attributable to their respective Sharing Ratios to the extent the Company has cash available to do so and is not prohibited from doing so pursuant to the terms of any loan or other agreement. Such distributions shall be made in preference to any other distributions.

(b) From time to time (but at least once each calendar quarter) the Members shall determine to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, and a reasonable contingency reserve. Subject to any restrictions in any lending arrangement, if such an excess exists, the Members may cause the Company to distribute it to the Member. Distributions shall be made first in payment of any outstanding advances from Members to the Company. Thereafter, distributions shall be made to the Members in proportion to their Sharing Ratios. No Member shall have a contractual right to any distribution other than distributions pursuant to Article VIII.

(c) From time to time the Member also may cause property of the Company other than cash to be distributed to the Members, which distribution must be made in accordance with their Sharing Ratios and may be made subject to existing liabilities and obligations.

ARTICLE V - MANAGEMENT

5.1 Management by Members. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed by, the Member. All decisions of the Member(s) shall be made by Member(s) holding a Required Interest.

5.2 Officers. The Member may from time to time appoint and remove Officers of the Company. Such Officers shall have the authority and responsibility of officers under the PaBCL, or such other authority and responsibilities as the Member may from time to time determine. The Officers shall report to and serve at the direction of the Member.

5.3 Meetings.

(a) Unless otherwise required by law or provided in this Agreement, Members holding a majority of the total number of votes of all Members shall constitute a quorum for the transaction or business of the Members, and the act of Members holding a majority of the total votes present at a meeting at which a quorum is present shall be the act of the Members. A Member who is present at a meeting of the Members at which action on any Company matter is taken shall be presumed to have assented to the action unless the Member's dissent shall be entered in the minutes of the meeting or unless the Member shall file his written dissent to such action with the Person acting as secretary of the meeting before the adjournment thereof or shall deliver such dissent to the Company immediately after the adjournment of the meeting.

(b) Meetings of the Members may be held at such place or places as shall be determined from time to time by resolution of the Members. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) Regular meetings of the Members shall be held at such times and places as shall be designated from time to time by resolution of the Members. Notice of such regular meetings shall not be required.

(d) Special meetings of the Members may be called by any Member on at least 24 hours notice to each other Member. Such notice shall state the purpose or purposes of, and the business to be transacted at, such meeting.

5.4 Action by Written Consent or Telephone Conference. Any action permitted or required by the Act or this Agreement to be taken at a meeting of the Members or any committee designated by the Members may be taken without a meeting

if a consent in writing, setting forth the action to be taken, is signed by a majority of the Members or members of such committee, as the case may be, with written notice thereof to all Members. Such consent shall have the same force and effect as a vote of a majority of the Member votes at a meeting. Subject to the requirements of the Act and this Agreement for notice of meetings, Members, or members of any committee, may participate in and hold a meeting of the Members or any committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in Person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.5 Conflicts of Interest. Each Member of the Company at any time and from time to time may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in competition with the Company, with no obligation to offer to the Company or any other Member the right to participate therein. The Company may transact business with any Member or affiliate thereof, provided the terms of those transactions are approved by a majority of the Members who have no financial interest in the transaction adverse to the Company or are no less favorable than those the Company could obtain from unrelated third parties.

ARTICLE VI - BOOKS, RECORDS, REPORTS, BANKS ACCOUNTS AND TAX RETURNS

6.1 Maintenance of Books. The Company shall keep books and records of accounts and shall keep minutes of the proceedings of its Member(s). The books of account for the Company shall be maintained on cash basis in accordance with such method of accounting as may be adopted by the Company from time to time, except that the capital accounts of the Members shall be maintained as provided herein. December 31 shall be the accounting and fiscal year end of the Company.

6.2 Reports. On or before the 15th day of the third month following the end of each fiscal year during the term of the Company, the Members shall cause each Member to be furnished with a balance sheet, an income statement, and a statement of changes in Members' capital of the Company for, or as of the end of, that year compiled by a recognized firm of certified public accountants. The Members also may cause to be prepared or delivered such other reports as they may deem appropriate. The Company shall bear the costs of all of these reports.

6.3 Accounts. The Member shall establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company name with financial institutions and firms that the Members determine. The Member may not commingle the Company's funds with the funds of any Member; however, Company funds may be invested in a manner the same as or similar to the Members' investment of their own funds or investments by their affiliates.

6.4 Tax Returns. The Member shall cause to be prepared and filed on a timely basis all necessary federal and state income tax returns for the Company. Each Member shall furnish to the Members all pertinent information in its possession relating to Company operations that is necessary to enable Company's income tax returns to the prepared and filed.

ARTICLE VII - DISSOLUTION, LIQUIDATION AND TERMINATION

7.1 Dissolution. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following:

- (a) dissolution is approved upon the vote or the written consent of the Member or Members holding a Required Interest or is otherwise approved by the Member under any provision of this Agreement expressly authorizing approval of dissolution of the Company;
- (b) entry of a decree of judicial dissolution of the Company under Section 8972 of the Act.

7.2 Liquidation and Termination. On dissolution of the Company, the Member shall act as liquidator or may appoint one or more Officers as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Member.

7.3 Distributions. On dissolution, Company property shall be distributed to the Member. At such time as the Company shall have more than one Member, Company property shall be distributed among the Members in the following order of priority:

- (a) If the ratio of a Member's positive capital account balance to all positive capital account balances exceeds the Member's Sharing Ratio, to such Member until all positive capital account balances are proportionate to the Members' Sharing Ratios; and
- (b) Thereafter to Members having positive capital account balances in proportion to such balances.

All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section. The distribution of cash or property to a Member in accordance with the provisions of this Section constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest in all the Company's property. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

7.4 Certificate of Dissolution. On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Member (or such other Person or Persons as the Act may require or permit) shall file a Certificate of Dissolution with the Pennsylvania Department of State, cancel any other filings made pursuant to Article I, and take such other actions as may be necessary to terminate the Company.

ARTICLE VIII - DEFINITIONS

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

“**Act**” means the Pennsylvania Limited Liability Company Law of 1994, 15 Pa.C.S. §§8901 et. seq., and any successor statute, as amended from time to time.

“**Capital Contribution**” means any contribution by a Member to the capital of the Company.

“**Certificate**” has the meaning given that term in Section 1.1.

“**Code**” means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

“**Member**” means Spectrum Brands, Inc. or any Person hereafter admitted as a member and who holds a Membership Interest at the time of reference.

“**Membership Interest**” means the interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

“**Officer**” means Persons appointed as such by the Members, if holding office at the time of reference.

“**PaBCL**” means the Pennsylvania Business Corporation Law of 1988, 15 Pa.C.S. §§1101 et. seq., and any successor statute, as amended from time to time.

“**Person**” means any individual, joint venture, association, partnership, limited liability company, corporation, foundation, trust, estate or other entity.

“**Required Interest**” means one or more Members having among them more than 50% of the Sharing Ratios of all Members or such greater percentage as may be expressly stated herein with respect to a specific decision. Each Member shall have one vote for each one percent (1%) of Sharing Ratio and shall have a fraction of a vote for each fraction of one percent (1%) of Sharing Ratio. For example, a Member having a Sharing Ratio of 24.25% would have 24 ¹/₄ votes.

“**Sharing Ratio**” initially means the interest of Spectrum Brands, Inc. in the profits of the Company. Upon admission of any other Member, the term means, with respect to any Member, the interest of each Member in the profits of the Company as established by written agreement of all Members.

Other terms defined herein have the meanings so given them.

8.2 Construction. Whenever the context requires, the gender of all words in this Agreement includes the masculine, feminine, and neuter. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to Exhibits attached hereto, each of which is made a part hereof for all purposes.

ARTICLE IX - GENERAL PROVISIONS

9.1 Offset. Whenever the Company is to pay any sum to any Member, any amounts that Member owes the Company may be deducted from that sum before payment.

9.2 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid, and registered or certified with return receipt requested or by delivering that writing to the recipient in Person, by courier, or by facsimile transmission; and a notice, request, or consent given under this Agreement is effective on receipt by the Person to receive it. Any notice, request, or consent to the Company must be given at the principal office of the Company. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

9.4 Amendment or Modification. This Agreement may be amended or modified from time to time only by a written instrument adopted by the Member and/or executed and agreed to by Members holding a Required Interest; provided, however, that (a) an amendment or modification reducing a Member's Sharing Ratio (other than to reflect changes otherwise provided by this Agreement) is effective only with that Member's consent, and (b) an amendment or modification reducing the required Sharing Ratio or other measure for any consent or vote in this Agreement is effective only with the consent or vote of Members having the Sharing Ratio or other measure theretofore required.

9.5 Binding Act. This Agreement is binding on and inures to the benefit of the Member and its respective legal representatives, successors, and assigns.


9.6 Governing Laws; Severability. This Agreement is governed by and shall be construed in accordance with the law of the Commonwealth of Pennsylvania. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

9.7 No Third Party Benefit. The provisions hereof are solely for the benefit of the Company and its Member and are not intended to, and shall not be construed to, confer a right or benefit on any creditor of the Company or any other Person.

[Signature Page To Follow]

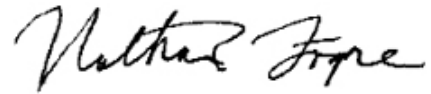
IN WITNESS WHEREOF, the Member of the Company and the Company have executed this Agreement as of the date first set forth above.

NATIONAL OPENINGS, LLC

 10/1/14

By: BRENT ESPLIN
Title: CFO

[Signature Page to A&R Operating Agreement of National Openings, LLC]

A handwritten signature in black ink, appearing to read "Nathan E. Fagre". The signature is written in a cursive, flowing style.

By: Nathan E. Fagre

Title: Senior Vice President, Secretary, General Counsel

[Signature Page to A&R Operating Agreement of National Openings, LLC]

FILED
2015 MAY 18 AM 9:19
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**AMENDED AND RESTATED
ARTICLES OF ORGANIZATION
OF
SALIX ANIMAL HEALTH, LLC**

The undersigned, being the sole member of Salix Animal Health, LLC, adopts the following Amended and Restated Articles of Organization pursuant to the authority and provisions of Section 605.0202 of the Florida Revised Limited Liability Company Act:

- FIRST:** The name of the limited liability company filing these Amended and Restated Articles of Organization is SALIX ANIMAL HEALTH, LLC (the "Company").
- The Articles of Organization of the Company were filed with the Corporation Division of the Florida Department of State on June 29, 1999 under Document No. L99000003859.
- SECOND:** These Amended and Restated Articles of Organization were unanimously approved by the sole Member. The votes cast were sufficient for approval under the Articles.
- THIRD:** These Amended and Restated Articles of Organization supersede and take the place of the heretofore existing Articles of Organization and any and all amendments thereto:

**ARTICLE I
NAME**

The name of the limited liability company shall be Salix Animal Health, LLC (the "Company").

**ARTICLE II
PURPOSE**

The Company is authorized to engage in any lawful act or activity for which limited liability companies may be organized under the Florida Revised Limited Liability Company Act (the "Act").

**ARTICLE III
ADDRESS OF PRINCIPAL PLACE OF BUSINESS**

The mailing address and street address of the principal office of the Company is: 198 Lock Road, Deerfield Beach, Florida 33442-1515.

**ARTICLE IV
REGISTERED AGENT AND REGISTERED OFFICE**

The name and street address of the registered agent in the State of Florida are: Corporation Service Company, 1201 Hays Street, Plantation, Florida 32301.

ARTICLE V
MANAGEMENT

The Company shall be member-managed in accordance with the Amended and Restated Operating Agreement (the "Operating Agreement") of the Company.

ARTICLE VI
AMENDMENTS TO ARTICLES

The Company reserves the right to amend, alter, change or repeal any provision contained in these Amended and Restated of Articles of Organization, in the manner now or hereafter prescribed by the Act, and all rights conferred upon members herein are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned has signed this Amended and Restated of Articles of Organization as of the 18th day of May, 2015.

SOLE MEMBER:

SPECTRUM BRANDS, INC.,
a Delaware corporation



By: _____
Nathan E. Fagre, Senior Vice President,
Secretary and General Counsel

FILED
2015 MAY 18 AM 9:19
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Having been named as registered agent to accept service of process for the Company at the place designated in these Amended and Restated Articles of Organization, Corporation Service Company ("CSC") hereby accepts the appointment as registered agent and agrees to act in this capacity. CSC further agrees to comply with the provisions of all statutes relating to the proper and complete performance of its duties, and CSC is familiar with and accepts the obligations of its position as registered agent as provided for in the Act.

CORPORATION SERVICE COMPANY



By: _____

Name: Sonya L. Cordell

Title: Asst Vice President

FILED
2015 MAY 18 AM 9:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

AMENDED AND RESTATED OPERATING AGREEMENT OF

SALIX ANIMAL HEALTH, LLC

DATED JANUARY 16, 2015

This Operating Agreement (this "Agreement") of Salix Animal Health, LLC, a Florida limited liability company (the "Company"), is adopted and entered into by Spectrum Brands, Inc., a Delaware corporation, as sole member (the "Sole Member").

For the purpose of forming a limited liability company pursuant to and in accordance with the Florida Limited Liability Company Act (as amended from time to time, the "Act"), the Sole Member hereby agrees and states as follows:

1. Name. The name of the Company is Salix Animal Health, LLC.

2. Purpose. The purpose of the Company is (a) to engage in any lawful act or activity for which limited liability companies may be organized under the Act as determined by the Sole Member and any additional members (such members, along with the Sole Member, the "Members") and (b) to engage in any and all activities necessary or incidental to the foregoing as determined by the Members. The Company shall have the authority to take all actions necessary or convenient to accomplish its purpose and operate its business as described in this Section 2.

3. Registered Office and Agent. The registered office of the Company is 1500 San Remo Avenue, Suite 125, Coral Gables, Florida 33146, and its registered agent is Atrium Registered Agents, Inc. The address of the registered office may be changed from time to time by the Members. The Company's principal place of business is 1500 San Remo Avenue, Suite 125, Coral Gables, Florida 33146.

4. Principal Office. The Company shall have a single principal office which shall at all times be located within the United States. The principal office shall be located at such a place as shall be designated by the Members of the Company, which may thereafter be changed from time to time.

5. Term. The Company shall continue in existence until dissolved in accordance with the Act and this Agreement.

6. Members. The Company presently has one member. The name and the mailing address of the Sole Member is as follows:

NAME: Spectrum Brands, Inc.

ADDRESS: 3001 Deming Way, Middleton, WI 53526-1431

7. Sole Member Management. Except as otherwise expressly provided for in this Agreement, management of the Company shall be vested in the Sole Member. The Sole Member shall have the sole and exclusive responsibility and authority for the management, conduct and operation of the Company's business in all respects and in all matters, except to the extent that the Sole Member agrees to delegate any such responsibility or authority to any manager, officer, employee or agent of the Company.

8. Officers. The Sale Member may appoint officers to run the day-to-day operations of the Company. The officers may be a Chief Executive Officer, a President, a Treasurer, a Vice President, a Secretary or other such officer as the Sole Member may elect from time to time. Officers so appointed shall hold office until their successors shall have been duly appointed and shall have qualified, or until their death, or until they shall have resigned or have been removed. The names of the initial officers and their respective offices in the Company are set forth on Exhibit A hereto.

9. Authority of Members to Bind the Company. Only the Sole Member and any manager, officer, employee or agent of the Company authorized by the Sole Member shall have the authority to bind the Company.

10. Capital Contributions. The Members shall contribute capital to the Company from time to time as the Sole Member shall require with such capital contribution being made by the Members pro rata in accordance with their membership interests.

11. Allocation of Profits and Losses. All income, gains and losses will be allocated to the capital accounts of each of the Members in accordance with their membership interests.

12. Distributions. The Members will receive distributions if upon winding up of the Company, the assets or proceeds available exceed the amount required for the payment and discharge of all of the Company's debts and liabilities. Other than as stated above, distributions to the Members shall be in the discretion of the Sole Member. The Sole Member may in its discretion, make distributions to a Member which may include a return of all or any part of the Member's contribution. The Members have no right to demand or receive property other than cash from the Company in return for their capital contributions.

13. Bank Accounts. Funds of the Company shall be deposited in a Company account or accounts in the bank or banks as selected by the Company. Withdrawals from these bank accounts shall only be made by (a) the Sole Member or (b) such other parties as maybe approved by the Sole Member.

14. Amendments. Amendments to this Agreement may be made only with the consent of the Sole Member or, if at such time there shall be additional Members, all the Members.

15. Assignments of Interest of a Member. A Member may assign in whole or part such Member's membership interest in the Company only with the consent of the Sole Member.

16. Withdrawal or Resignation. A Member may withdraw from the Company in accordance with the Act.

17. Admission of Additional Members. One or more additional Members of the Company may be admitted to the Company with the consent of the Sole Member or, if at such a time there shall be additional Members, all of the Members.

18. Liability of the Members. The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act. The

Sole Member exercising management powers or responsibilities for or on behalf of the Company shall not be personally liable for monetary damages to the Company, its members, or any other person for any statement, vote, decision, or failure to act regarding management or policy decisions by the Sole Member, unless: (a) the Sole Member breached or failed to perform the duties as a manager or managing member; and (b) Sole Member's breach of, or failure to perform, those duties constitutes any of the following: (i) violation of the criminal law, unless the Sole Member had a reasonable cause to believe its conduct was lawful or had no reasonable cause to believe such conduct was unlawful; (ii) a transaction from which the Sole Member derived an improper personal benefit, either directly or indirectly; (iii) a distribution in violation of Section 608.426 of the Act; (iv) in a proceeding by or in the right of the Company to procure a judgment in its favor or by or in the right of a Member, conscious disregard of the best interest of the Company, or willful misconduct; or (v) in a proceeding by or in the right of someone other than the Company or a Member, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

19. Indemnification. To the fullest extent permitted by law, the Company shall indemnify, hold harmless, protect and defend each of the Members and officers, employees and agents, if any, of the Company (collectively, the "Indemnities"), against any losses, claims, damages or liabilities, Including, without limitation, legal and other expenses incurred In Investigating or defending against any such loss, claim, damages or liabilities, and any amounts expended in settlement of any claim (collectively, "Liabilities"), to which any Indemnity may become subject by reason of any act or omission (even if negligent or grossly negligent) performed or omitted to be performed on behalf of the Company or by reason of the fact that such Indemnity is or was a Member, or officer, employee, or agent of the Company or is or was serving at the request of the Company as a director, trustee, manager, officer, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise, provided, however, that no indemnification may be made to or on behalf of

any Indemnity if (a) prohibited by Section 608.4229 of the Act, or (b) a judgment or other final adjudication adverse to such Indemnity establishes (i) that his or her acts or omissions were committed in bad faith or involved intentional misconduct or a knowing violation of law or (ii) that he or she personally gained through such an act or omission a financial profit or other advantage to which he or she was not legally entitled. The provisions of this Section shall continue to afford protection to each Indemnity regardless of whether such Indemnity remains a Member, officer, employee, or agent of the Company. Any indemnity under this Section 18 or otherwise shall be paid out of and to the extent of the Company's assets only.

20. Dissolution. The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (a) the consent of the Sole Member or, if any additional members shall have been added, all Members; or (b) the entry of a decree of judicial dissolution under Section 608.441 of the Act. In the absence of either of the foregoing, the Company shall be dissolved and its affairs wound up upon the bankruptcy or dissolution of the Sole Member or, if any additional members shall have been added, all of the Members or as otherwise specifically required by the Act.

21. Liquidation. Upon dissolution pursuant to Section 19, the Company's business and assets shall be liquidated in an orderly manner. The Sole Member (or, if at such time there shall be additional Members), all the Members shall designate a person to be the liquidator to wind up the affairs of the Company. In performing its duties, the liquidator is authorized to sell, distribute, exchange or otherwise dispose of Company assets in accordance with the Act in any manner that the liquidator shall determine, provided that any distribution to one or more Members shall be made in accordance with Section II.

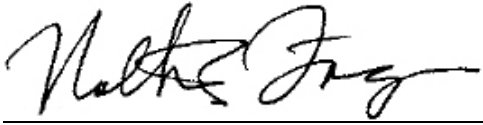
22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida applicable to agreements made and to be performed entirely within such State, without regard to the principles of conflicts of laws of such State.

23. Severability. In the event that any provision of this Agreement shall be declared to be invalid, illegal or unenforceable, such provision shall survive to the extent it is not so declared, and the validity, legality and enforceability of the other provisions here of shall not in any way be affected or impaired thereby, unless such action would substantially impair the benefits to any party of the remaining provisions of this Agreement.

24. Certificates. The membership interests shall be uncertificated. If one or more additional members is admitted to the Company pursuant to Section 16, the Company shall keep or cause to be kept, a register that will provide for the registration and transfer of membership interests of the Company.

IN WITNESS WHEREOF, the Sole Member, intending to be legally bound hereby, has duly executed this Agreement as the date first written above.

Spectrum Brands, Inc.



By: _____

Name: Nathan Fagre
Title: Senior Vice President, Secretary and General
Counsel

[Signature Page to Amended and Restated Operating Agreement of Salix Animal Health, LLC]

Officers

<u>Name</u>	<u>Office</u>
Randy Lewis	President
Nathan E. Fagre	Senior Vice President, Secretary and General Counsel
John Beattie	Vice President and Treasurer
Diane Miller	Assistant Treasurer
Heather L. Clefisch	Assistant Secretary
Peggy Barlett	Assistant Secretary
Mike Pfefferkorn	Assistant Secretary
Scott T. Piering	Assistant Secretary

2015 FLORIDA LIMITED LIABILITY COMPANY AMENDED ANNUAL REPORT

FILED
May 18, 2015
Secretary of State
CC7658065335

DOCUMENT# L99000003859

Entity Name: SALIX ANIMAL HEALTH, LLC

Current Principal Place of Business:

198 LOCK ROAD
DEERFIELD BEACH, FL 33442-1515

Current Mailing Address:

198 LOCK ROAD
DEERFIELD BEACH, FL 33442-1515 US

FEI Number: 65-0965477

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

CORPORATION SERVICE COMPANY
1201 HAYS STREET
PLANTATION, FL 32301 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: SONYA L. CORDELL, ASST. SECRETARY OF CORPORATION SERVICE COMPANY 05/18/2015
Electronic Signature of Registered Agent Date

Authorized Person(s) Detail:

Title AUTHORIZED MEMBER
Name SPECTRUM BRANDS, INC
Address 3001 DEMING WAY
City-State-Zip: MIDDLETON WI 53562

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: NATHAN E. FAGRE SENIOR VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL OF SPECTRUM BRANDS, INC. 05/18/2015

Electronic Signature of Signing Authorized Person(s) Detail Date

SALIX ANIMAL HEALTH, LLC

ACTION OF SOLE MEMBER IN LIEU OF SPECIAL MEETING

The undersigned, being the sole member of Salix Animal Health, LLC, a Florida limited liability company (the "Company"), hereby adopts the following resolutions without a meeting and by written consent to have the same force and effect as if taken and adopted at a special meeting of the members of the Company:

WHEREAS, it has been determined to be advisable and in the best interests of the Company to amend and restate the Articles of Organization of the Company; it is

RESOLVED, that the Amended and Restated Articles of Organization, in the form attached hereto as Exhibit A, are hereby approved and adopted on behalf of the Company;


FURTHER RESOLVED, that any officer of the Company be and hereby is authorized, in the name and on behalf of the Company, to execute the Amended and Restated Articles of Organization and to file the same with the Division of Corporations of the Florida Department of State;

FURTHER RESOLVED, that the officers of the Company are hereby authorized and directed to take any and all further actions, and prepare and execute any and all additional documents as such officers deem necessary or advisable in order to implement the purposes of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the day of May, 2015.

SOLE MEMBER:

SPECTRUM BRANDS, INC.,
a Delaware corporation



By: _____
Nathan E. Fagre, Senior Vice President, Secretary and General Counsel

ARTICLE V
MANAGEMENT

The Company shall be member-managed in accordance with the Amended and Restated Operating Agreement (the "Operating Agreement") of the Company.

ARTICLE VI
AMENDMENTS TO ARTICLES

The Company reserves the right to amend, alter, change or repeal any provision contained in these Amended and Restated of Articles of Organization, in the manner now or hereafter prescribed by the Act, and all rights conferred upon members herein are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned has signed this Amended and Restated of Articles of Organization as of the _____ day of May, 2015.

SOLE MEMBER:

SPECTRUM BRANDS, INC.,
a Delaware corporation



By: _____
Nathan E. Fagre, Senior Vice President,
Secretary and General Counsel

Having been named as registered agent to accept service of process for the Company at the place designated in these Amended and Restated Articles of Organization, Atrium Registered Agents, Inc. ("ARA") hereby accepts the appointment as registered agent and agrees to act in this capacity. ARA further agrees to comply with the provisions of all statutes relating to the proper and complete performance of its duties, and ARA is familiar with and accepts the obligations of its position as registered agent as provided for in the Act.

ATRIUM REGISTERED AGENTS, INC.
a Florida corporation

By: _____
Name: _____
Title: _____



State of Missouri
Robin Carnahan, Secretary of State

Corporations Division
PO Box 778 / 600 W. Main St., Rm. 322
Jefferson City, MO 65102

File Number:
00069779
Date Filed: 08/11/2009
Robin Carnahan
Secretary of State

**Amendment of Articles of Incorporation
for a General Business or Close Corporation**

Pursuant to the provisions of the General and Business Corporation Law of Missouri, the undersigned Corporation certifies the following:

- The present name of the Corporation is Schultz Company
Charter #: 00069779
The name under which it was originally organized was Schultz Shoe Company, Inc.
- An amendment to the Corporation's Articles of Incorporation was adopted by the shareholders on August 10, 2009
month/day/year
- Article Number Please see attached addendum. is amended to read as follows:

(If more than one article is to be amended or more space is needed attach additional pages)

(Please see next page)

Name and address to return filed document:

Name: _____

Address: _____

City, State, and Zip Code: _____

State of Missouri
Amend/Restate - Gen Bus 9 Page(s)

T0922318074

4. Of the 1,000 shares outstanding, 1,000 of such shares were entitled to vote on such amendment.

The number of outstanding shares of any class entitled to vote thereon as a class were as follows:

Class	Number of Outstanding Shares
<u>Common</u>	<u>1,000</u>
_____	_____
_____	_____
_____	_____

5. The number of shares voted for and against the amendment was as follows:

Class	No. Voted For	No. Voted Against
<u>Common</u>	<u>1,000</u>	<u>0</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. If the amendment provides for an exchange, reclassification, or cancellation of issued shares, or a reduction of the number of authorized shares of any class below the number of issued shares of that class, the following is a statement of the manner in which such reduction shall be effected:

7. If the effective date of the amendment is to be a date other than the date of filing of the certificate of amendment with the Secretary of State, then the effective date, which shall be no more than 90 days following the filing date, shall be specified: _____

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

John T. Wilson John T. Wilson VP, Assistant Secretary August 10, 2009
Authorized Signature *Printed Name* *Title* *Date*

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

SCHULTZ COMPANY

The Amended and Restated Articles of Incorporation are as follows:

ARTICLE I

The name of the Corporation is Schultz Company.

ARTICLE II

The address, including street and number, if any, of the Corporation's registered office in this State of Missouri is 120 South Central Avenue, Clayton 63105, and the name of its registered agent at such address is C T Corporation System.

ARTICLE III

The aggregate number, class and par value, if any, of shares which the Corporation shall have authority to issue shall be Thirty Thousand (30,000) shares of Common Stock having a par value of One Dollar (\$1.00) per share.

ARTICLE IV

No shareholder of the Corporation shall have any preemptive right to acquire any shares of any class of stock of this Corporation, whether now or hereafter authorized, or any securities or obligations (including, but not limited to, securities or obligations convertible into any class of stock issued by this Corporation), whether issued or sold for cash, property, services or otherwise.

ARTICLE V

The name and address of the original incorporators are Jacob Schultz, 6909 Washington Avenue, University City, Missouri, Abraham Y. Schultz, 2329 S. Kingshighway, St. Louis, Missouri, Harry Schultz, 530 Purdue Avenue, University City, Missouri and Marvin Saks, 6909 Washington Avenue, University City, Missouri.

ARTICLE VI

Pursuant to Section 1123(a)(6) of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), the Corporation will not issue non-voting equity securities (which shall not be deemed to include any warrants or options to purchase capital stock of the Corporation); provided, however, that this provision (i) will have no further force or effect beyond that required under Section 1123 of the Bankruptcy Code, (ii) will have such force and effect, if any, only for so long as such section is in effect and applicable to the Corporation or any of its wholly-owned subsidiaries and (iii) in all events may be amended or eliminated in accordance with applicable law as from time to time in effect.

ARTICLE VII

The number of directors to constitute the Board of Directors shall be fixed by, or in the manner provided in, the By-Laws of the Corporation, and any change in the number will be reported to the Missouri Secretary of State within thirty (30) calendar days of such change.

ARTICLE VIII

In all elections of directors, each shareholder entitled to vote shall have the right to cast only as many votes as shall equal the number of shares held by the shareholder in the Corporation. There shall be no right to cumulative voting in election of directors.

ARTICLE IX

The duration of the Corporation is perpetual.

ARTICLE X

The Corporation is formed to engage in any lawful business.

ARTICLE XI

The Corporation undertakes to provide indemnity pursuant to the provisions of this Article XI:

(1) Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer, of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the Corporation to the fullest extent which it is empowered to do so unless prohibited from doing so by the General and Business Corporation Law of Missouri, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding) and such indemnification shall inure to the benefit of his heirs, executors and administrators; provided, however, that, except as provided in subsection 2 hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the Corporation. The right to indemnification conferred in this Article XI shall be a contract right and, subject to subsections 2 and 5 hereof, shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The Corporation may, by action of its board of directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(2) Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the Corporation under subsection 1 of this Article XI or advance of expenses under subsection 5 of this Article XI shall be made promptly, and in any event within thirty (30) days, upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Article XI is required, and the Corporation fails to respond within sixty (60) days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within thirty (30) days, the right to indemnification or advances as granted by this Article XI shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General and Business Corporation Law of Missouri for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its board of directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the

circumstances because he has met the applicable standard of conduct set forth in the General and Business Corporation Law of Missouri, nor an actual determination by the Corporation (including its board of directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(3) Article Not Exclusive. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article XI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the articles of incorporation, by-law, agreement, vote of shareholders or disinterested directors or otherwise.

(4) Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such liability under this Article XI.

(5) Expenses. Expenses incurred by any person described in subsection 1 of this Article XI in defending a proceeding shall be paid by the Corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

(6) Employees and Agents. Persons who are not covered by the foregoing provisions of this Article XI and who are or were employees or agents of the Corporation, or who are or were serving at the request of the Corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

(7) Contract Rights. The provisions of this Article XI shall be deemed to be a contract right between the Corporation and each director or officer who serves in any such capacity at any time while this Article XI and the relevant provisions of the General and Business Corporation Law of Missouri or other applicable law are in effect, and any repeal or modification of this Article XI or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

(8) Merger or Consolidation. For purposes of this Article XI, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article XI with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE XII

At any time or times before the Corporation has received any payment for any of its shares, the Board of Directors may adopt amendments to the Amended and Restated Articles of Incorporation by executing and verifying a certificate of amendment as provided by The General and Business Corporation Law of Missouri. After the Corporation has received payment for any of its shares, amendments to the Amended and Restated Articles of Incorporation shall be made in the manner prescribed by The General and Business Corporation Law of Missouri. The power to make, alter, amend, Or repeal the By-Laws of the Corporation shall be vested in the Board of Directors.

The Board of Directors shall have and exercise such further powers as are provided it under present or future laws of the State of Missouri.

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 11:12 AM 07/29/1994
944140821 - 2423514

CERTIFICATE OF INCORPORATION

OF

STP PRODUCTS, INC.

FIRST: The name of the Corporation is
STP PRODUCTS, INC.

SECOND: Its Registered Office in the State of Delaware is to be located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Zip Code 19801. The Registered Agent in charge thereof is The Corporation Trust Company.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of capital stock which the corporation shall have authority to issue is 1,000 shares of Common Stock, each having a par value of \$0.01.

FIFTH: The name and mailing address of the incorporator are as follows:

J. Bruce Ipe
First Brands Corporation
83 Wooster Heights Road
Danbury, CT 06810

I, THE UNDERSIGNED, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly set my hand this 26th day of July, 1994.



J. Bruce Ipe

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
(Pursuant to Section 242)

STP Products, Inc., a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

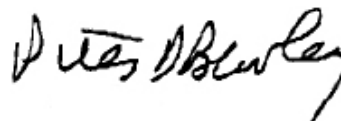
FIRST: That the Board of Directors of said corporation, by a majority vote of its members, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that the Certificate of Incorporation of STP Products, Inc. be amended by changing Article FIRST thereof so that, as amended, said article shall read as follows:

“1. The name of the corporation is The STP Products Manufacturing Company.”

SECOND: That the sole shareholder has given its written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this corporation has caused this certificate to be signed by its Vice President - Secretary, and attested by its Assistant Secretary, this 28th day of May, 1999.



By: _____

P. D. Bewley
Vice President - Secretary

ATTEST:



By: _____

T. W. Huckaby
Assistant Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:30 PM 05/28/1999
991217753 - 2423514

CERTIFICATE OF CORRECTION FILED TO CORRECT
A CERTAIN ERROR IN THE CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION
OF THE STP PRODUCTS MANUFACTURING COMPANY FILED IN THE OFFICE OF THE
SECRETARY OF STATE OF DELAWARE
ON MAY 28, 1999

The STP Products Manufacturing Company, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,


DOES HEREBY CERTIFY:

1. That the name of the corporation (giving effect to the filing of the aforementioned Certificate of Amendment to Certificate of Incorporation takes effect) is The STP Products Manufacturing Company.
2. That a Certificate of Amendment to Certificate of Incorporation was filed with the Secretary of State of Delaware on May 28, 1999 and that said Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.
3. The inaccuracy or defect of said Certificate to be corrected is as follows: the name of the corporation as reflected in Article FIRST was inaccurately transcribed from the resolutions approved by the stockholders and directors to inadvertently add the word "The" at the beginning of the corporation's revised name.
4. Article FIRST of the Certificate is corrected to read as follows:


"1. The name of the corporation is STP Products Manufacturing Company."

IN WITNESS WHEREOF, said The STP Products Manufacturing Company has caused this Certificate to be signed by its Vice President - Secretary and attested by its Assistant Secretary this 1st day of June, 1999.

THE STP PRODUCTS MANUFACTURING COMPANY


By: _____
Peter D. Bewley,
Vice President - Secretary

ATTEST:


By: _____
Thomas W. Huckaby
Assistant Secretary

**STATE OF DELAWARE
CERTIFICATE OF CHANGE
OF REGISTERED AGENT AND/OR
REGISTERED OFFICE**

The Board of Directors of STP PRODUCTS MANUFACTURING COMPANY, a Delaware Corporation, on this 25th day of April, A.D. 2012, do hereby resolve and order that the location of the Registered Office of this Corporation within this State be, and the same hereby is 2711 Centerville Road, Suite 400 Street, in the City of Wilmington, DE, County of New Castle Zip Code 19808.

The name of the Registered Agent therein and in charge thereof upon whom process against this Corporation may be served, is Corporation Service Company.

The Corporation does hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Directors at a meeting held as herein stated.

IN WITNESS WHEREOF, said Corporation has caused this certificate to be signed by an authorized officer, the 25th day of April, A.D., 2012.

By: /s/ Blanca Lozada
Authorized Officer

Name: Blanca Lozada
Print or Type

Title: Vice President

AMENDED AND RESTATED**BY-LAWS****OF****STP PRODUCTS MANUFACTURING COMPANY****A Delaware Corporation****(November 5, 2010)****ARTICLE I****OFFICES**

Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II**MEETINGS OF STOCKHOLDERS**

Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the chief executive officer of the corporation.

Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the chief executive

officer and shall be called by the chief executive officer upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of any series or class of the corporation's Capital Stock.

Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Quorum. Except as otherwise provided by applicable law or by the Certificate of Incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Number, Election and Term of Office. The number of directors which shall constitute the board as of the effective date of these by-laws shall be not less than one (1) and not more than six (6). Thereafter, the number of directors shall be established from time to time by resolution of the board. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Vacancies. Except as otherwise provided by the Certificate of Incorporation of the corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon or by a majority of the members of the board of directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chief executive officer or president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the chief executive officer must call a special meeting on the written request of at least a majority of the directors.

Quorum, Required Vote and Adjournment. A majority of the total number of directors then in office (without regard to any then vacancies on the board) shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of

the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all the then members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a chief executive officer, two or more president, one or more vice president, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, may be an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. He shall advise the chief executive officer, and in the chief executive officer's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

The Chief Executive Officer. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the chief executive officer shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

President; Vice Presidents. The president shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all of the restrictions of the chief executive officer. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer, or secretary may, from time to time, prescribe.

The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every

six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer, the president or treasurer may, from time to time, prescribe.

Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, which officers may include officers of any division of the Corporation, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to

Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the chief executive officer, the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or

otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is

adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

CERTIFICATE OF INCORPORATION

OF

FIRST ES-SUB, INC.

CERTIFICATE OF INCORPORATION

OF

FIRST ES-SUB, INC.

1. The name of the Corporation is FIRST ES-SUB, INC.

2. The address of its registered office in the State of Delaware is 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total number of shares of all classes of stock which the Corporation shall have authority to issue is One Thousand (1,000) shares of Common Stock of the par value of One Dollar (\$1.00) per share amounting in the aggregate to One Thousand Dollars (\$1,000.00).

5. The Corporation shall have one class of Directors. In all elections for Directors of the Corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which, except for this provision as to cumulative voting, he would be entitled to cast for the election of Directors with respect to his shares of stock, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for or any two or more of them as he may see fit.

6. In furtherance of and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the bylaws of the Corporation.

7. The principal office of the Corporation shall be located at such place, whether within or without the State of Delaware, as may be provided in the bylaws.

8. Unless contrary to statute, the books of the Corporation may be kept outside of the State of Delaware at such place or places as may from time to time be designated by the Board of Directors or in the bylaws of the Corporation.

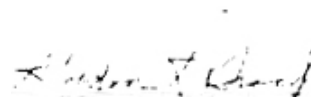
9. Whenever the vote of stockholders or any class or classes of stockholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action, the meeting and vote of the stockholders or such class or classes of stockholders may be dispensed with upon written consent of the stockholders having not less than such minimum percentage of the total number of votes as may otherwise have been required for such action. A notice of the obtaining of any consent provided for in this Article 9 shall be mailed by the Corporation, promptly after such consent has been obtained, to the stockholders at their respective addresses appearing on the records of the Corporation.

10. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereinafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

11. The name and mailing address of the incorporator is as follows:

Haldon K. Grant
55 East Monroe Street
Chicago, Illinois 60603

I, THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 17th day of July, 1978.



Haldon K. Grant

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

* * * * *

FIRST ES-SUB, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by the unanimous written consent of its members, filed with the minutes of the board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

“RESOLVED, that the Certificate of Incorporation of FIRST ES-SUB, INC. be amended by changing the first Article thereof so that, as amended, said Article shall be and read as follows:

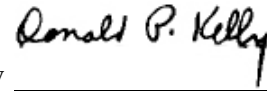
“1. The name of the corporation is STP CORPORATION.”

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders have given unanimous written consent to said amendment in accordance with the provisions of section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said FIRST ES-SUB, INC. has caused this certificate to be signed by Donald P. Kelly, its President, and attested by Earl J. Grimm, its Secretary, this 26th day of August, 1982.

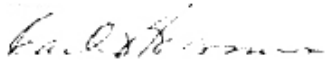
FIRST ES-SUB, INC.



By

Donald P. Kelly
President

ATTEST:

By 
Earl J. Grimm
Secretary

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
(Pursuant to Section 242)

STP Corporation, a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES
HEREBY CERTIFY:

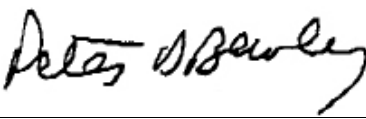
FIRST: That the Board of Directors of said corporation, by a majority vote of its members, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that the Certificate of Incorporation of STP Corporation be amended by changing the first Article thereof so that, as amended, said article shall read as follows:

“1. The name of the corporation is The Armor All/STP Products Company.”


SECOND: That the sole shareholder has given its written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this corporation has caused this certificate to be signed by its Vice President - Secretary, and attested by its Assistant Secretary, this 28th day of May, 1999.

By: 

P. D. Bewley
Vice President - Secretary

ATTEST:

By: 

T. W. Huckaby
Assistant Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:30 PM 05/28/1999
991217669 - 0857706

CERTIFICATE OF MERCER
OF
ARMOR ALL PRODUCTS CORPORATION
INTO
THE ARMOR ALL/STP PRODUCTS COMPANY

* * * * *

The undersigned corporation organized and existing under and by virtue of the General Corporation Law of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the name and state of incorporation of each of the constituent corporations of the merger is as follows:

<u>NAME</u>	<u>STATE OF INCORPORATION</u>
Armor All Products Corporation	Delaware
The Armor All/STP Products Company	Delaware

SECOND: That an agreement of merger between the parties to the merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of section 251 of the General Corporation Law of Delaware.

THIRD: That the name of the surviving corporation of the merger is The Armor All/STP Products Company

FOURTH: That the amendments or changes in the Certificate of Incorporation of The Armor All/STP Products company, the surviving corporation, as are to be effected by the merger are as follows:

Article 4. of the Company's Certificate of Incorporation is amended to read, in its entirety, as follows:

"The total number of shares of all classes of stock which the Corporation is authorized to issue is two thousand (2,000) shares of Common Stock, with a par value of one dollar (\$1.00) per share."

FIFTH: That the executed Agreement of Merger is on file at an office of the surviving corporation, the address of which is 1221 Broadway, Oakland, California 94612-1888.

SIXTH: That a copy of the Agreement of Merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent corporation.

Dated: August 31, 2001

THE ARMOR ALL/STP PRODUCTS COMPANY

By: /s/ PETER D. BEWLEY
Peter D. Bewley
Vice President – Secretary

**STATE OF DELAWARE
CERTIFICATE OF CHANGE
OF REGISTERED AGENT AND/OR
REGISTERED OFFICE**

The Board of Directors of THE ARMOR ALL/STP PRODUCTS COMPANY, a Delaware Corporation, on this 7th day of September, A.D. 2012, do hereby resolve and order that the location of the Registered Office of this Corporation within this State be, and the same hereby is 2711 Centerville Road, Suite 400 Street, in the City of Wilmington, DE, County of New Castle Zip Code 19808.

The name of the Registered Agent therein and in charge thereof upon whom process against this Corporation may be served, is Corporation Service Company.

The Corporation does hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Directors at a meeting held as herein stated.

IN WITNESS WHEREOF, said Corporation has caused this certificate to be signed by an authorized officer, the 7th day of September, A.D., 2012.

By: /s/ Blanca Lozada
Authorized Officer

Name: Blanca Lozada
Print or Type

Title: Vice President

AMENDED AND RESTATED**BY-LAWS****OF****THE ARMOR ALL/STP PRODUCTS COMPANY****A Delaware Corporation****(November 5, 2010)****ARTICLE I****OFFICES**

Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, in the County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II**MEETINGS OF STOCKHOLDERS**

Place and Time of Meetings. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the chief executive officer of the corporation.

Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the chief executive

officer and shall be called by the chief executive officer upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of any series or class of the corporation's Capital Stock.

Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Quorum. Except as otherwise provided by applicable law or by the Certificate of Incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Number, Election and Term of Office. The number of directors which shall constitute the board as of the effective date of these by-laws shall be not less than one (1) and not more than six (6). Hereafter, the number of directors shall be established from time to time by resolution of the board. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Vacancies. Except as otherwise provided by the Certificate of Incorporation of the corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon or by a majority of the members of the board of directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chief executive officer or president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the chief executive officer must call a special meeting on the written request of at least a majority of the directors.

Quorum, Required Vote and Adjournment. A majority of the total number of directors then in office (without regard to any then vacancies on the board) shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of

the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all the then members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

Number. The officers of the corporation shall be elected by the board of directors and may consist of a chairman, a chief executive officer, two or more president, one or more vice president, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

The Chairman of the Board. The Chairman of the Board, if one shall have been elected, shall be a member of the board, may be an officer of the Corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. He shall advise the chief executive officer, and in the chief executive officer's absence, other officers of the Corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

The Chief Executive Officer. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the chief executive officer shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

President; Vice Presidents. The president shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all of the restrictions of the chief executive officer. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer, or secretary may, from time to time, prescribe.

The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every

six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer, the president or treasurer may, from time to time, prescribe.

Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, which officers may include officers of any division of the Corporation, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to

Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Nonexclusivity of Article V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the chief executive officer, the the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or

otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is

adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Corporate Seal. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:29 PM 08/26/2009
FILED 04:29 PM 08/26/2009
SRV 090809649 - 0790751 FILE

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
UNITED INDUSTRIES CORPORATION

Pursuant to Sections 242, 245 and 303 of the Delaware General Corporation Law

The undersigned, John T. Wilson, certifies that he is the Vice President and Assistant Secretary of UNITED INDUSTRIES CORPORATION, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), and does hereby further certify as follows:

- (1) The name of the Corporation is UNITED INDUSTRIES CORPORATION.
- (2) The name under which the Corporation was originally incorporated was Kensico Industries, Inc. and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on April 16, 1973.
- (3) On February 3, 2009, the Corporation filed a petition in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division seeking relief under Chapter 11 of the United States Bankruptcy Code.
- (4) This Amended and Restated Certificate of Incorporation was duly adopted pursuant to a joint plan of reorganization confirmed by an order of the Bankruptcy Court on July 15, 2009 in accordance with the provisions of Sections 228, 242, 245 and 303 of the General Corporation Law of the State of Delaware.
- (5) The text of the Restated Certificate of Incorporation of the Corporation as amended hereby is restated to read in its entirety, as follows:

FIRST: The name of the corporation (the "Corporation") is UNITED INDUSTRIES CORPORATION.

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle 19801. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

FOURTH: 4.1 Capital Structure. The total number of shares of stock which the Corporation shall have authority to issue is Three Thousand (3,000) shares of common stock having a par value of \$0.01 per share (the "Common Stock").

4.2 Common Stock. The Common Stock (a) shall be one and the same class, (b) shall have full and unlimited voting rights (with each share having one vote on each matter submitted to stockholders for vote), and (c) shall have equal rights of participation in dividends and distributions and be entitled to receive the net assets of the Corporation ratably upon dissolution.

4.3 No Pre-emptive Rights. No holders of shares of the Corporation of any class or series shall be entitled as a matter of right to any pre-emptive right to subscribe for or purchase any shares of any class or series of stock of the Corporation, whether now or hereafter authorized, any options or rights to purchase any such shares, or any bonds, debentures or other securities of the Corporation, whether or not convertible into or carrying an option to purchase any such shares.

FIFTH: Pursuant to Section 1123(a)(6) of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), the Corporation will not issue non-voting equity securities (which shall not be deemed to include any warrants or options to purchase capital stock of the Corporation); provided, however, that this provision (i) will have no further force or effect beyond that required under Section 1123 of the Bankruptcy Code, (ii) will have such force and effect, if any, only for so long as such section is in effect and applicable to the Corporation or any of its wholly owned subsidiaries and (iii) in all events may be amended or eliminated in accordance with applicable law as from time to time in effect.

SIXTH: Election of directors need not be by ballot.

SEVENTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the board of directors is expressly authorized to adopt, amend or repeal the bylaws of the Corporation.

EIGHTH: A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under §174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived an improper personal benefit. If the Delaware

General Corporation Law is amended after the date of this certificate of incorporation to further eliminate or limit the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Article by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

NINTH: The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by applicable law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article NINTH shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article NINTH to directors and officers of the Corporation.

The rights to indemnification and to the advance of expenses conferred in this Article NINTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of incorporation, the bylaws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal or modification of this Article NINTH by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

TENTH: The Corporation reserves the right to amend and repeal any provision contained in the Amended and Restated Certificate of Incorporation in the manner prescribed by the Delaware General Corporation Law. All rights herein conferred are granted subject to this reservation

IN WITNESS WHEREOF, the undersigned has duly executed this Amended and Restated Certificate of Incorporation on this 26th day of August, 2009.



John T. Wilson
Vice President and Assistant Secretary

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019

September 21, 2015

Spectrum Brands, Inc.
3001 Deming Way
Middleton, Wisconsin 53562

Registration Statement on Form S-4

Ladies and Gentlemen:

In connection with the Registration Statement on Form S-4 (the "Registration Statement") of Spectrum Brands, Inc., a Delaware corporation (the "Company"), each of the entities listed on Schedule I hereto (each a "Delaware/New York Corporate Guarantor"), each of the entities listed on Schedule II hereto (each a "Delaware LLC Guarantor," and together with the Delaware/New York Corporate Guarantors, the "Delaware/New York Guarantors") and each of the entities listed on Schedule III hereto (each a "Non-Delaware/New York Guarantor," and together with the Delaware/New York Guarantors, the "Guarantors"), filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"), and the rules and regulations thereunder (the "Rules"), you have asked us to furnish our opinion as to the legality of the securities being registered under the Registration Statement. The Registration Statement relates to the registration under the Act of \$250,000,000 aggregate principal amount of the Company's 6.125% Senior Notes due 2024 (the "2024 Exchange Notes") and \$1,000,000,000 aggregate principal amount of the Company's 5.750% Senior Notes due 2025 (the "2025 Exchange Notes" and, together with the 2024 Exchange Notes, the "Exchange Notes") and the guarantees of the Exchange Notes by the Guarantors (the "Guarantees").

The Exchange Notes and the Guarantees are to be offered in exchange for the Company's outstanding \$250,000,000 aggregate principal amount of 6.125% Senior Notes due 2024 (the "2024 Initial Notes") and \$1,000,000,000 5.750% Senior Notes due 2025 (the "2025 Initial Notes" and, together with the 2024 Initial Notes, the "Initial Notes") and the guarantees of the Initial Notes by the Guarantors. The 2024 Exchange Notes and the related Guarantees will be issued by the Company in accordance with the terms of the Indenture (the "2024 Notes Base Indenture"), dated as of December 4, 2014, among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the supplemental indenture, dated as of February 24, 2015, among the Company, the guarantors party thereto and the Trustee, and as further supplemented by the supplemental indenture, dated as of June 23, 2015, among the Company, the guarantors party thereto and the Trustee (together, the "2024 Notes Supplemental Indentures" and, together with the 2024 Notes Base Indenture, the "2024 Notes Indenture"). The 2025 Exchange Notes and the related Guarantees will be issued by the Company in accordance with the terms of the Indenture (the "2025 Notes Base Indenture"), dated as of May 20, 2015, among the Company, the guarantors party thereto and the Trustee, as trustee, as supplemented by the supplemental indenture, dated as of June 23, 2015, among the Company, the guarantors party thereto and the Trustee (the "2025 Notes Supplemental Indenture," together with the 2025 Notes Base Indenture, the "2025 Notes Indenture" and, together with the 2024 Notes Indenture, the "Indentures").

In connection with the furnishing of this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (collectively, the "Documents"):

1. the Registration Statement;
2. the 2024 Notes Base Indenture, including as an exhibit thereto, the form of 2024 Exchange Note, included as Exhibit 4.2 to the Registration Statement;
3. the 2025 Notes Base Indenture, including as an exhibit thereto, the form of 2025 Exchange Note, included as Exhibit 4.3 to the Registration Statement;

4. the 2024 Notes Supplemental Indentures;
5. the 2025 Notes Supplemental Indentures;
6. the Registration Rights Agreement, dated as of December 4, 2014 (the “2024 Notes Registration Rights Agreement”), among the Company, the guarantors party thereto and the initial purchasers named therein, included as Exhibit 10.5 to the Registration Statement; and
7. the Registration Rights Agreement, dated as of May 20, 2015 (the “2025 Notes Registration Rights Agreement”) among the Company, the guarantors party thereto and the initial purchasers named therein, included as Exhibit 10.6 to the Registration Statement.

In addition, we have examined (i) such corporate records of the Company and each Delaware/New York Corporate Guarantor that we have considered appropriate, including a copy of the certificate of incorporation, as amended, and by-laws, as amended, of the Company and each Delaware Corporate Guarantor, certified by the Company, and each such Delaware/New York Corporate Guarantor, respectively, as in effect on the date of this letter, and copies of resolutions of the board of directors of the Company and the Delaware/New York Corporate Guarantors, relating to the issuance of the Exchange Notes and the Guarantees, respectively, certified by the Company and each such Delaware/New York Corporate Guarantor, respectively; (ii) such limited liability company records of each Delaware LLC Guarantor that we have considered appropriate, including the certificate of formation and operating agreement of each Delaware LLC Guarantor and copies of the resolutions of the board of directors of the direct or indirect sole or managing member of each Delaware LLC Guarantor, relating to the issuance of the Guarantees, certified by the Company and each such Delaware LLC Guarantor, respectively; and (iii) such other certificates, agreements and documents that we deemed relevant and necessary as a basis for the opinions expressed below. We have also relied upon the factual matters contained in the representations and warranties of the Company and the Guarantors made in the Documents and upon certificates of public officials and officers of the Company and the Guarantors.

In our examination of the documents referred to above, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the documents reviewed by us, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic, reproduced or conformed copies of valid existing agreements or other documents, the authenticity of all the latter documents and that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that we have examined are accurate and complete. We have also assumed, without independent investigation, (i) that the Exchange Notes and Guarantees will be issued as described in the Registration Statement, (ii) that the Exchange Notes will be in substantially the form attached to the applicable Indenture and that any information omitted from such form will be properly added, (iii) that each Non-Delaware/New York Guarantor is validly existing and in good standing under the laws of its jurisdiction of organization, (iv) that each Non-Delaware/New York Guarantor has all necessary power and authority to execute, deliver and perform its obligations under the Indentures and the Guarantees, (v) that the execution, delivery and performance by each Non-Delaware/New York Guarantor of the Indentures and the Guarantees has been duly authorized by all necessary corporate action or limited liability company action, as applicable, and do not violate such party’s certificate or articles of incorporation, articles of association, by-laws, operating agreements or other organizational documents or the laws of its jurisdiction of organization and (vi) the due execution and delivery of the Indentures and the Guarantees by each Non-Delaware/New York Guarantor under the laws of its jurisdiction of organization.

Based upon the above, and subject to the stated assumptions, exceptions and qualifications, we are of the opinion that:

1. When duly issued, authenticated and delivered against the surrender and cancellation of the 2024 Initial Notes as set forth in the Registration Statement and in accordance with the terms of the 2024 Notes Indenture and the 2024 Notes Registration Rights Agreement, the 2024 Exchange Notes will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except that the enforceability of the 2024 Exchange Notes may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors’ rights generally and subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

2. When the 2024 Exchange Notes are duly issued, authenticated and delivered against the surrender and cancellation of the 2024 Initial Notes as set forth in the Registration Statement and in accordance with the terms of the 2024 Notes Indenture and the 2024 Notes Registration Rights Agreement, the Guarantees with respect to the 2024 Exchange Notes will constitute legal, valid and binding obligations of each of the Guarantors enforceable against each of the Guarantors in accordance with their terms, except that enforceability of the Guarantees may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

3. When duly issued, authenticated and delivered against the surrender and cancellation of the 2025 Initial Notes as set forth in the Registration Statement and in accordance with the terms of the 2025 Notes Indenture and the 2025 Notes Registration Rights Agreement, the 2025 Exchange Notes will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except that the enforceability of the 2025 Exchange Notes may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

4. When the 2025 Exchange Notes are duly issued, authenticated and delivered against the surrender and cancellation of the 2025 Initial Notes as set forth in the Registration Statement and in accordance with the terms of the 2025 Notes Indenture and the 2025 Notes Registration Rights Agreement, the Guarantees with respect to the 2025 Exchange Notes will constitute legal, valid and binding obligations of each of the Guarantors enforceable against each of the Guarantors in accordance with their terms, except that enforceability of the Guarantees may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

The opinions expressed above are limited to the laws of the State of New York, the General Corporation Law of the State of Delaware and the Limited Liability Company Act of the State of Delaware. Our opinion is rendered only with respect to the laws, and the rules, regulations and orders under those laws, that are currently in effect.

We hereby consent to use of this opinion as an exhibit to the Registration Statement and to the use of our name under the heading "Legal Matters" contained in the prospectus included in the Registration Statement. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required by the Act or the Rules.

Very truly yours,

/s/ Paul, Weiss, Rifkind, Wharton & Garrison LLP

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Delaware/New York Corporate Guarantors

<u>Name</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
AAG IDQ Acquisition Corporation	Delaware
Applica Mexico Holdings, Inc.	Delaware
Armored AutoGroup Inc.	Delaware
Armored AutoGroup Intermediate Inc.	Delaware
Armored AutoGroup Parent Inc.	Delaware
Armored AutoGroup Sales Inc.	Delaware
IDQ Acquisition Corp.	Delaware
IDQ Holdings, Inc.	Delaware
ROV Holding, Inc.	Delaware
STP Products Manufacturing Company	Delaware
The Armor All/STP Products Company	Delaware
United Industries Corporation	Delaware
IDQ Operating, Inc.	New York

Delaware LLC Guarantors

<u>Name</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
AA Group (U.S.) – A LLC	Delaware
AA Group (U.S.) – B LLC	Delaware
National Manufacturing Mexico A LLC	Delaware
National Manufacturing Mexico B LLC	Delaware
ROV International Holdings LLC	Delaware
SB/RH Holdings, LLC	Delaware

Non-Delaware/New York Guarantors

<u>Name</u>	<u>State or Other Jurisdiction of Incorporation or Organization</u>
National Openings, LLC	Pennsylvania
Salix Animal Health, LLC	Florida
Schultz Company	Missouri

September 21, 2015

Spectrum Brands, Inc.
3001 Deming Way
Middleton, Wisconsin 53562

and

National Openings, LLC
c/o Spectrum Brands, Inc.
3001 Deming Way
Middleton, Wisconsin 53562

Ladies and Gentlemen:

We have acted as special Pennsylvania counsel to National Openings, LLC, a Pennsylvania limited liability company (the "Pennsylvania Guarantor"), which is a subsidiary of Spectrum Brands, Inc., a Delaware corporation ("Spectrum"), in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed by Spectrum, SB/RH Holdings, LLC, and the subsidiaries of Spectrum listed in the Registration Statement, including the Pennsylvania Guarantor, with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the issuance by Spectrum of certain Exchange Notes (as defined hereinbelow) guaranteed by SB/RH Holdings, LLC, the Pennsylvania Guarantor, and certain other subsidiaries of Spectrum listed in the Registration Statement (collectively, the "Guarantors") in exchange for the same aggregate principal amount of the Initial Notes which are not registered under the Securities Act.

Spectrum will be exchanging \$250,000,000 of its outstanding 6.125% Senior Notes due 2024 and certain related guarantees which were issued on December 4, 2014, in a private offering (the "2024 Initial Notes") for a like aggregate amount of its registered 6.125% Senior Notes due 2024 and certain related guarantees (the "2024 Exchange Notes"). The 2024 Initial Notes were issued under that certain indenture dated as of December 4, 2014, among Spectrum, certain of the Guarantors, and U.S. Bank National Association, as trustee (the "Original 2024 Notes Indenture"), since supplemented by that certain supplemental indenture dated as of February 24, 2015, and that certain supplemental indenture dated as of June 23, 2015 (altogether, the "2024 Notes Supplemental Indentures," and together with the Original 2024 Notes Indenture, the "2024 Notes Indenture"). The 2024 Exchange Notes will also be issued under the 2024 Notes Indenture.

In addition, Spectrum will be exchanging \$1,000,000,000 of its outstanding 5.750% Senior Notes due 2025 and certain related guarantees which were issued on May 20, 2015, in a private offering (the "2025 Initial Notes") for a like aggregate amount of its registered 5.750% Senior Notes due 2025 and certain related guarantees (the "2025 Exchange Notes," and together with the 2024 Exchange Notes, the "Exchange Notes"). The 2025 Initial Notes were issued under that certain indenture dated as of May 20, 2015, among Spectrum, certain of the Guarantors, and U.S. Bank National Association, as trustee (the "Original 2025 Notes Indenture"), since supplemented by that certain supplemental indenture dated as of June 23, 2015 (the "2025 Notes Supplemental Indenture," and together with the "Original 2025 Notes Indenture," the "2025 Notes Indenture," and together with the 2024 Notes Indenture, the "Indentures"). The 2025 Exchange Notes will also be issued under the 2025 Notes Indenture.

All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the respective Indentures. We have assumed, with your permission, that (i) the Indentures have not been further amended, modified, or supplemented and (ii) the Exchange Notes will be issued pursuant to the Indentures and otherwise in compliance with the provisions of the Indentures.

In connection with this opinion, we have examined copies, identified to our satisfaction, of fully executed counterparts of the documents listed on Exhibit A attached hereto (the “Documents”). We have also examined (i) the certificate of organization of the Pennsylvania Guarantor as certified by the Secretary of the Department of State for the Commonwealth of Pennsylvania (the “Secretary of State”) on November 26, 2014 (the “Pennsylvania Guarantor Certificate”); (ii) the operating agreement of the Pennsylvania Guarantor as certified by the Secretary of the Pennsylvania Guarantor as of the date hereof (the “Pennsylvania Guarantor Operating Agreement,” and together with the Pennsylvania Guarantor Certificate, the “Pennsylvania Guarantor Organizational Documents”); (iii) the limited liability company resolutions of the Pennsylvania Guarantor dated as of (i) December 1, 2014 and (ii) May 14, 2015 (as ratified by resolutions of the sole member of the Pennsylvania Guarantor on September 21, 2015); (iv) a certificate of good standing of the Pennsylvania Guarantor certified by the Secretary of State on September 15, 2015 (the “Certificate of Good Standing”); (v) that certain Omnibus Officer’s Certificate of Spectrum, the Pennsylvania Guarantor and certain other subsidiaries of Spectrum delivered in connection with the transactions contemplated by the Registration Statement, from Nathan E. Fagre, as Vice President of the Pennsylvania Guarantor dated as of the date hereof (the “Omnibus Certificate”); and (vi) the Registration Statement.

In rendering the opinions expressed below, we have assumed, with your permission and without independent investigation:

- a. the valid existence and good standing in the jurisdiction of its organization of each party to the Documents (other than the Pennsylvania Guarantor);
- b. the due authorization, execution and delivery of the Documents by each party thereto (other than the Pennsylvania Guarantor);
- c. the power and authority of each party to the Documents (other than the Pennsylvania Guarantor) to execute, deliver and perform its obligations under the same, and that such execution, delivery and performance do not conflict with, contravene, violate or constitute a default under such party’s certificate or articles of incorporation, bylaws or other organizational documents;
- d. the execution, delivery and performance of its respective obligations under each Document to which it is a party by each party to the Documents do not conflict with, contravene, violate or constitute a default under (i) any indenture, instrument or other agreement to which such party or its property or assets is subject or any contractual or legal restriction having applicability to such party or such property or assets, (ii) any rule, law or regulation of any court or regulatory or governmental authority to which such party (other than the Pennsylvania Guarantor) is subject or (iii) any writ, order, judgment or decree of any court or regulatory or governmental authority to which such party is subject or by which any of its properties or assets are bound;
- e. the authority of all individuals signing the Documents on behalf of the parties thereto (other than the Pennsylvania Guarantor);
- f. the legal capacity of all natural persons, including natural persons acting on behalf of a business entity; and
- g. that there are no records, agreements or understandings between any of the parties to the Documents that would alter the agreements set forth therein.

We have relied on the Omnibus Certificate and have assumed (i) that the sole member or manager of the Pennsylvania Guarantor executing the resolutions referred to therein was duly appointed and/or elected in accordance with applicable laws and the Pennsylvania Guarantor Organizational Documents and (ii) that the officers of the Pennsylvania Guarantor whose incumbency is certified in the Omnibus Certificate have been duly elected or appointed in accordance with applicable laws and the Pennsylvania Guarantor Organizational Documents.

We have also assumed the genuineness of all signatures, the authenticity of all writings, certificates, instruments and records submitted to us as originals, the conformity to originals of all such writings, certificates, instruments and records submitted to us as certified, conformed or photostatic copies, the authenticity of the originals of such copies, and the truthfulness of all statements of fact set forth therein.

Based on the foregoing and in reliance thereon, and subject to the limitations, qualifications, and exceptions set forth below, we are of the opinion that:

1. The Pennsylvania Guarantor is a limited liability company validly existing and in good standing under Pennsylvania law and has all requisite power and authority to execute, deliver, and perform all of its obligations under the Documents to which it is a party.
2. The execution and delivery by the Pennsylvania Guarantor of the Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by all necessary limited liability company action.
3. The Documents to which the Pennsylvania Guarantor is a party have been duly executed and delivered by the Pennsylvania Guarantor.
4. The execution and delivery by the Pennsylvania Guarantor of the Documents to which it is a party and the performance of its obligations thereunder will not violate any provision of statutory law or regulation of the Commonwealth of Pennsylvania applicable to the Pennsylvania Guarantor or violate any provision of the Pennsylvania Guarantor Organizational Documents.

The opinions set forth above are subject to the following limitations, qualifications, and exceptions:

(A) In this opinion, any reference to Pennsylvania law means the Pennsylvania Business Corporation Law of 1988, as amended, and those laws, statutes, rules and regulations of the Commonwealth of Pennsylvania which, in our experience, are normally applicable to transactions of the type contemplated by the Documents and would normally be applicable to domestic corporations transacting business in Pennsylvania that are not engaged in regulated business activities (other than state blue sky laws, securities laws, and antifraud laws), but without having made any special investigation concerning the applicability of any other law, statute, rule or regulation.

(B) The foregoing opinions are strictly limited to the matters stated herein, and no other or more extensive opinion is intended or implied or to be inferred beyond the matters expressly stated herein.

(C) Our opinions in paragraph 1 above regarding valid existence and good standing are based solely on our review of the Certificate of Good Standing as of the date of certification.

(D) Our opinions are limited to the internal laws of the Commonwealth of Pennsylvania, and we express no opinion with respect to the federal laws of the United States, the laws of any other jurisdiction or as to any matters of municipal law or the laws of any local agencies within any state (including the Commonwealth of Pennsylvania). Our advice on each legal issue in this letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the Commonwealth of Pennsylvania.

(E) We express no opinion as to:

- (1) the legality, validity, binding effect or enforceability of the Documents as to any person or entity;

(2) compliance with, or any governmental or regulatory filing, approval, authorization, license or consent required by or under, any (a) Federal or state anti-fraud laws; (b) Federal or state environmental laws; (c) Federal or state antitrust and unfair competition laws; (d) Federal or state taxation laws; (e) Federal or state patent, trademark or copyright statutes; (f) statutory or other requirements relating to the disposition of hazardous waste or environmental protection; (g) Federal or state receivership or conservatorship laws; (h) Federal or state securities laws; (i) Federal or state labor or employment laws; (j) Federal or state employee benefits or pension laws; (k) Federal or state maritime or aviation laws; (l) Federal or state laws concerning public utilities; (m) Federal or state racketeering laws; (n) Federal or state laws relating to communications; (o) zoning, health, safety, building, permitting, land use or subdivision laws; (p) the Equal Credit Opportunity Act; (q) Federal or state laws and policies concerning (A) national and local emergencies, (B) possible judicial deference to acts of sovereign states, and (C) criminal and civil forfeiture laws; and (r) other state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes); and in the case of each of the foregoing in this paragraph (2), all rules and regulations promulgated thereunder or administrative or judicial decisions with respect thereto;

(3) compliance by the Pennsylvania Guarantor with the various operating covenants in the Documents; or

(4) the effect of any law relating to the legal or regulatory status of any individual or entity.

We have assumed without investigation that each of the Pennsylvania Guarantor Organizational Documents we have reviewed is a true, accurate and complete copy of such document, and that each of the Pennsylvania Guarantor Organizational Documents is in full force and effect and has not been amended or repealed.

We have made no examination and express no opinion, with respect to any laws relating to terrorism or money-laundering, including the (i) the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (Public Law 107-56) and (ii) Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, relating to “Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.”

We have made no examination of, and express no opinion as to, the business, operations or financial condition of the Pennsylvania Guarantor or any other individual or entity or the effect thereon of the transactions contemplated by the Documents. In this regard, we have assumed that (i) the transactions contemplated under the Documents have been entered into by the parties thereto in good faith, (ii) there is no actual intent to hinder, delay or defraud any present or future creditor of the Pennsylvania Guarantor, and (iii) the Pennsylvania Guarantor is not engaged in business with unreasonably small capital, is not insolvent under applicable law, and has not incurred debts beyond its ability to pay, as to which matters we understand you have satisfied yourself. We are not expressing any opinion as to the effect on the Documents if any such assumptions should be inaccurate or as to any matter for which an express opinion is not provided herein.

This opinion letter has been prepared for use in connection with the transactions covered by the Registration Statement and may not be relied upon for any other purpose.

This opinion speaks as of the date hereof, and we assume no obligation to advise you of any changes in the foregoing subsequent to the effectiveness of the Registration Statement even though the change may affect the legal analysis or a legal conclusion or other matters in this opinion letter.

We hereby consent to the references in the Registration Statement to our Firm under the caption “Legal Matters” and to the inclusion of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Barnes & Thornburg LLP

BARNES & THORNBURG LLP

Indentures

September 21, 2015

Spectrum Brands, Inc.
3001 Deming Way
Middleton, Wisconsin 53562

Ladies and Gentlemen:

We have acted as special Missouri counsel to Schultz Company, a Missouri corporation (the "Company"), in connection with a Registration Statement on Form S-4 relating to Spectrum Brands, Inc.'s offer to exchange (the "Exchange Offer") (i) up to \$250,000,000 aggregate principal amount of its 6.125% Senior Notes due 2024 and related guarantees, which were issued pursuant to that certain Indenture dated December 4, 2014 (the "Initial 2024 Notes Indenture") among Spectrum Brands, Inc., a Delaware corporation (the "Issuer"), U.S. Bank National Association, as trustee (the "Trustee"), and the guarantors party thereto, including, without limitation, the Company, as supplemented by the Supplemental Indenture dated February 24, 2015, and as further supplemented by the Supplemental Indenture dated June 23, 2015 (collectively, the "2024 Notes Supplemental Indentures") and (ii) up to \$1,000,000,000 aggregate principal amount of its 5.750% Senior Notes due 2025 and related guarantees, which were issued pursuant to that certain Indenture dated May 20, 2015 (the "Initial 2025 Notes Indenture" and, together with the Initial 2024 Notes Indenture, the "Initial Indentures") among the Issuer, the Trustee and the guarantors party thereto, including, without limitation, the Company, as supplemented by the Supplemental Indenture dated June 23, 2015 (the "2025 Notes Supplemental Indenture" and, together with the 2024 Notes Supplemental Indentures, the "Supplemental Indentures"), for a like and corresponding amount of its 2024 exchange notes and 2025 exchange notes, as applicable (collectively, the "Exchange Notes"), and related guarantees, including the guarantee by the Company of the Issuer's obligations under the Exchange Notes (collectively, the "Note Guarantees"). Capitalized terms defined in the Registration Statement (as hereinafter defined) and used (but not otherwise defined) herein are used herein as so defined. This opinion is being delivered to you pursuant to the terms of the Exchange Offer.

In connection with this opinion, we have examined and relied upon the accuracy of original, certified, conformed, photographic, facsimile or electronic copies of the following:

- (a) the registration statement on Form S-4 of Spectrum Brands, Inc., filed with the Securities and Exchange Commission ("SEC") on September 21, 2015 (the "Registration Statement");
- (b) an executed copy of each of the Initial Indentures;
- (c) an executed copy of each of the Supplemental Indentures;
- (d) an executed copy of each of the Registration Rights Agreements;
- (e) the initial notes (including the guarantees endorsed thereto);
- (f) the forms of Exchange Notes;
- (g) the Note Guarantees (as defined in each respective Indenture) of the Company;
- (h) the Omnibus Officer's Certificate dated as of September 21, 2015 executed by Nathan E. Fagre, Vice President of the Company (the "Back-Up Certificate");
- (i) a copy of the Amended and Restated Articles of Incorporation of the Company, certified as of December 4, 2014 by the Secretary of State of the State of Missouri (the "Articles of Incorporation") attached to the Back-Up Certificate as Exhibit A;

- (j) a copy of certain resolutions of the Board of Directors of the Company, adopted on December 1, 2014 and May 14, 2015, attached to the Back-Up Certificate as Exhibit C;
- (k) a copy of the By-laws of the Company (collectively with the Articles of Incorporation, the "Organizational Documents"), attached to the Back-Up Certificate as Exhibit B; and
- (l) a certificate dated September 14, 2015 from the Secretary of State of the State of Missouri as to the good standing of the Company in the State of Missouri (the "Missouri Certificate");

Items lettered (b), (c), (f) and (g) above are collectively referred to herein as the "Transaction Documents".

We have also examined such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of the Company, and have made such inquiries of such officers and representatives, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In rendering the opinions expressed herein, we have assumed, without independent investigation but with your permission: (i) that each person who, as an officer or authorized signatory of the Company, signed any Transaction Document or any other document delivered in connection with the Transaction Documents, was duly elected or appointed, qualified and acting as such officer or authorized signatory at the respective times of the signing and delivery thereof; (ii) the genuineness of all signatures; (iii) the authenticity of all documents submitted to us as originals; (iv) the conformity to the originals of all documents submitted to us as copies, whether certified, conformed, photographic, facsimile or electronic, and the authenticity of the originals of such documents; (v) the legal capacity of all natural persons executing documents; (vi) that except for the Transaction Documents, there are no agreements or undertakings to which the Company, on the one hand, and the Issuer and/or the Trustee, on the other hand, are parties which would have an effect on the opinions expressed herein; and (vii) that all certificates and facsimile, electronic and telephonic confirmations given by public officials have been properly given and are accurate.

We are opining herein as to the effect on the subject transaction only of the substantive laws of the State of Missouri, and we express no opinion with respect to (a) the applicability to such transaction, or the effect on such transaction, of any other laws, or (b) any matters of municipal law or the laws of any other local agencies within the State of Missouri.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that, as of the date hereof:

1. The Company is a corporation validly existing and in good standing under the laws of the State of Missouri.
2. The Company has all requisite corporate power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder.
3. The execution, delivery and performance by the Company of the Transaction Documents to which it is a party have been duly authorized by all necessary corporate action on the part of such Company.
4. The execution and delivery by the Company of the Transaction Documents to which it is a party and the performance by the Company of its obligations thereunder, each in accordance with its terms, will not conflict with or violate (i) any of the terms, conditions or provisions of the Company's Organizational Documents or (ii) any Missouri law or regulation (other than Missouri securities or blue sky laws, as to which we express no opinion in this paragraph).

5. No approval, consent, exemption, authorization, waiver, license or other action by, or notice to, or filing with, any Missouri court or Missouri governmental authority is necessary or required in connection with the execution and delivery by the Company of the Transaction Documents to which it is a party and the performance by the Company of its obligations thereunder.

6. The Transaction Documents to which the Company is a party have been duly and validly executed and delivered by the Company.

In rendering the opinions set forth in paragraph 1 above with respect to the valid existence and good standing of the Companies, we have relied solely upon the Missouri Certificate.

This opinion letter is rendered to you in connection with the Exchange Offer. We hereby consent to the filing of this opinion with the SEC as an exhibit to the Registration Statement. We also consent to the reference to our firm under the caption "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the SEC. This opinion is expressed as of the date hereof, and we disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable law.

Very truly yours,

/s/ Thompson Coburn LLP
THOMPSON COBURN LLP

September 21, 2015

Spectrum Brands, Inc.
3001 Deming Way
Middleton, Wisconsin 53562

Ladies and Gentlemen:

We have acted as special counsel in the State of Florida (the "State") to Salix Animal Health, LLC, a Florida limited liability company ("Salix" or the "Guarantor"), in connection with the documents listed on Exhibit A attached hereto (the "Documents") and the Registration Statement on Form S-4 (the "Registration Statement"), relating to Spectrum Brands, Inc.'s offer to exchange (the "Exchange Offer") (i) up to \$250,000,000 aggregate principal amount of its 6.125% Senior Notes due 2024 and related guarantees, which were issued pursuant to that certain Indenture dated December 4, 2014 (the "Initial 2024 Notes Indenture") among Spectrum Brands, Inc., a Delaware corporation ("Spectrum"), U.S. Bank National Association, as trustee (the "Trustee"), and the guarantors party thereto, as supplemented by the Supplemental Indenture dated February 24, 2015, to which the Guarantor is a party, and as further supplemented by the Supplemental Indenture dated June 23, 2015 (collectively, the "2024 Notes Supplemental Indentures") and (ii) up to \$1,000,000,000 aggregate principal amount of its 5.750% Senior Notes due 2025 and related guarantees, which were issued pursuant to that certain Indenture dated May 20, 2015 (the "Initial 2025 Notes Indenture" and, together with the Initial 2024 Notes Indenture, the "Initial Indentures") among Spectrum, the Trustee and the guarantors party thereto, including, without limitation, the Guarantor, as supplemented by the Supplemental Indenture dated June 23, 2015 (the "2025 Notes Supplemental Indenture" and, together with the 2024 Notes Supplemental Indentures, the "Supplemental Indentures" and, together with the Initial Indentures, the "Indentures"), for a like and corresponding amount of its 2024 exchange notes and 2025 exchange notes, as applicable (collectively, the "Exchange Notes"), and related guarantees, including the guarantee by the Guarantor of Spectrum's obligations under the Exchange Notes (collectively, the "Note Guarantees"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the applicable Indenture.

We have examined copies, identified to our satisfaction, of: (i) the articles of organization of Salix (the "Salix Articles") as certified by the Division of Corporations of the Florida Department of State (the "Filing Office") on May 17, 2015; (ii) the operating agreement of Salix as certified by the Secretary of Salix on September 21, 2015 (the "Salix Operating Agreement," and together with the Salix Articles, the "Salix Organizational Documents"); (iii) the limited liability company resolutions of Salix dated as of February 24, 2015 and May 14, 2015; (iv) the certificate of status of Salix dated September 14, 2015 issued by the Filing Office; and (v) that certain Omnibus Officer's Certificate dated as of September 21, 2015 of Spectrum, the Guarantor and certain other subsidiaries of Spectrum delivered in connection with the Documents, from Nathan E. Fagre, as Senior Vice President, Secretary and General Counsel of the Guarantor (the "Omnibus Certificate").

In rendering the opinions expressed below, we have assumed, with your permission and without independent investigation:

- a. the valid existence and good standing in the jurisdiction of its organization of each party to the Documents (other than the Guarantor);
- b. the due authorization, execution and delivery of the Documents by each party thereto (other than the Guarantor);
- c. the power and authority of each party to the Documents (other than the Guarantor) to execute, deliver and perform its obligations under the same, and that such execution, delivery and performance do not conflict with, contravene, violate or constitute a default under such party's certificate or articles of incorporation, bylaws or other organizational documents;

d. that the execution and delivery of, and performance of its respective obligations under, each Document to which it is a party by each party to the Documents (other than the Guarantor) do not conflict with, contravene, violate or constitute a default under (i) any indenture, instrument or other agreement to which such party or its property or assets is subject or any contractual or legal restriction having applicability to such party or such property or assets, (ii) any rule, law or regulation of any court or regulatory or governmental authority to which such party is subject or (iii) any writ, order, judgment or decree of any court or regulatory or governmental authority to which such party is subject or by which any of its properties or assets are bound;

e. the authority of all individuals signing the Documents on behalf of the parties thereto (other than the Guarantor);

f. the legal capacity of all natural persons, including natural persons acting on behalf of a business entity; and

g. that there are no records, agreements or understandings between any of the parties to the Documents that would alter the agreements set forth therein.

We have relied on the Omnibus Certificate and have assumed that Nathan E. Fagre and John Beattie, the authorized officers of the Spectrum, the sole member of the Guarantor, executing the written consents referred to therein were duly elected and appointed by Spectrum in accordance with applicable laws and Spectrum's Organizational Documents and that the persons whose incumbencies are certified in the Omnibus Certificate have been duly elected or appointed in accordance with applicable laws and the Salix Organizational Documents.

We have also assumed the genuineness of all signatures, the authenticity of all writings, certificates, instruments and records submitted to us as originals, the conformity to originals of all such writings, certificates, instruments and records submitted to us as certified, conformed or photostatic copies, the authenticity of the originals of such copies, and the truthfulness of all statements of fact set forth therein.

Based on the foregoing and subject to the limitations, assumptions qualifications, and exclusions set forth herein, we are of the opinion that:

1. The Guarantor is a limited liability company organized under Florida law and its limited liability company status is active.

2. The Guarantor has all the requisite limited liability company power and authority to execute and deliver the Documents to which it is a party and to perform its obligations under the Documents.

3. All necessary limited liability company actions have been taken by the Guarantor to authorize the execution and delivery by the Guarantor of, and performance by the Guarantor of its obligations under, the Documents to which it is a party.

4. Other than as contemplated by the Documents, no further consent, approval, authorization or other action by, or filing with, any governmental authority of the State is required for the execution and delivery by the Guarantor of any Documents to which it is a party or the performance of its obligations thereunder.

5. The execution and delivery by the Guarantor of the Documents to which it is a party and the performance of its obligations thereunder will not violate the Salix Organizational Documents or any Applicable Law.

6. The Documents to which the Guarantor is a party have been duly executed and delivered by the Guarantor in accordance with the Salix Organizational Documents.

The foregoing opinions are strictly limited to the matters stated herein, and no other or more extensive opinion is intended or implied or to be inferred beyond the matters expressly stated herein.

For purposes of the opinions set forth above, "Applicable Law" means the Florida Revised Limited Liability Company Act and those laws, statutes, rules and regulations of the State which, in our experience, are normally applicable to transactions of the type contemplated by the Documents and would normally be applicable to domestic limited liability companies transacting business in the State that are not engaged in regulated business activities, but without our having made any special investigation concerning the applicability of any other law, statute, rule or regulation.

The opinions set forth above are subject to the following qualifications:

- (A) Our opinions are limited to the internal laws of the State and we express no opinion whatsoever with respect to any other laws. Each of our opinions is also subject to the effect of (i) bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, receivership, moratorium, failure of consideration, illegality and other similar laws, and (ii) general principles of equity, whether applied by a court of law or equity. Our advice on each legal issue in this letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the State.
- (B) Our opinion in paragraph 1 above is based solely on our review of the certificate of status issued by the Filing Officer as of the date of certification. We have made no additional investigation after the date of such certification in rendering our opinion in paragraph 1.
- (C) We express no opinion as to:
 - (1) the legality, validity, binding effect or enforceability of the Documents as to any individual or entity;
 - (2) compliance with, or any governmental or regulatory filing, approval, authorization, license or consent required by or under, any (a) Federal or state anti-fraud laws; (b) Federal or state environmental law; (c) Federal or state antitrust and unfair competition law; (d) Federal or state taxation law; (e) Federal or state worker health or safety, zoning or permitting or land use matter; (f) Federal or state patent, trademark or copyright statute, rule or regulation; (g) statutory or other requirement relating to the disposition of hazardous waste or environmental protection; (h) Federal or state receivership or conservatorship law; (i) Federal or state securities law; (j) Federal or state labor or employment law; (k) Federal or state labor, employee benefits or pension law; (l) Federal or state maritime or aviation laws; (m) Federal or state laws concerning public utilities; (n) Federal or state racketeering laws; (o) Federal or state laws relating to communications; (p) the statutes, ordinances, administrative decisions and rules and regulations of counties, towns, municipalities and other political subdivisions (whether created or enabled through legislative action at the Federal, state or regional level); (q) zoning, health, safety, building, environmental, permitting, land use or subdivision law, ordinance, code, rule or regulation; (r) the Equal Credit Opportunity Act; (s) Federal or state laws and policies concerning (A) national and local emergencies, (B) possible judicial deference to acts of sovereign states, and (C) criminal and civil forfeiture laws; and (t) other state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes); and in the case of each of the foregoing in this paragraph (2), all rules and regulations promulgated thereunder or administrative or judicial decisions with respect thereto;
 - (3) compliance by the Guarantor with the various operating covenants in the Documents; and
 - (4) the effect of any law relating to the legal or regulatory status of any individual or entity.

(D) We have assumed without investigation that each of the Salix Organizational Documents we have reviewed is a true, accurate and complete copy of such document, and that each of the Salix Organizational Documents is in full force and effect and has not been amended or repealed.

We have made no examination and express no opinion with respect to any laws relating to terrorism or money-laundering, including (i) the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (Public Law 107-56) and (ii) Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, relating to “Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.”

We have made no examination of and express no opinion as to the business, operations or financial condition of the Guarantor or any other individual or entity or the effect thereon of the transactions contemplated by the Documents. In this regard, we have assumed that the transactions contemplated under the Documents have been entered into by the parties thereto in good faith, that there is no actual intent to hinder, delay or defraud any present or future creditor of the Guarantor and that the Guarantor is not engaged in business with unreasonably small capital, is not insolvent under applicable Federal or state law and has not incurred debts beyond its ability to pay, as to which matters we understand you have satisfied yourself. We are not expressing any opinion as to the effect on the Documents if any such assumptions should be inaccurate or as to any matter for which an express opinion is not provided herein. We specifically disclaim any opinions by implication or inference.

Except with respect to the opinions set forth herein, we have not rendered any legal advice to the Guarantor or any other individual or entity (or any individuals in their respective organizations) with respect to the Guarantor in connection with the transactions described above. We have not reviewed, we are not passing upon, and we do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any of the statements contained in the Documents or any related instruments.

We hereby consent to the references in the Registration Statement to our firm under the caption “Legal Matters” and to the inclusion of this opinion as an exhibit to the Registration Statement; *provided* that in giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or the rules and regulations of the Securities and Exchange Commission thereunder. This opinion is not a guarantee or warranty, or an opinion respecting matters of fact and should not be construed or relied on as such. The opinions expressed herein are as of the date hereof, and we undertake no responsibility to update this opinion after the date hereof and assume no responsibility for advising you of any changes with respect to any matters described in this opinion that may occur subsequent to the date hereof or with respect to the discovery subsequent to the date hereof of information not previously known to us pertaining to the events occurring prior to the date hereof.

Very truly yours,

/s/ Quarles & Brady LLP

QUARLES & BRADY LLP

EXHIBIT A

Indentures

Note Guarantees (as defined in each respective Indenture) of the Guarantor

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019

September 21, 2015

Spectrum Brands, Inc.
3001 Deming Way
Middleton, Wisconsin 53562

Ladies and Gentlemen:

We have acted as United States federal income tax counsel for Spectrum Brands, Inc., a Delaware corporation (the “Company”), in connection with its offer to exchange \$250,000,000 principal amount of 6.125% Senior Notes due 2024 and certain related guarantees, which were issued on December 4, 2014, in a private offering (the “2024 initial notes”) and \$1,000,000,000 principal amount of 5.750% Senior Notes due 2025 and certain related guarantees, which were issued on May 20, 2015 in a private offering (the “2025 initial notes,” and together with the 2024 initial notes, the “Initial Notes”) for a like aggregate \$250,000,000 principal amount of 6.125% Senior Notes due 2024 and certain related guarantees (the “2024 exchange notes”), and \$1,000,000,000 principal amount of 5.750% Senior Notes due 2025 and certain related guarantees (the “2025 exchange notes,” and together with the 2024 exchange notes, the “Exchange Notes”), respectively.

The Company has requested that we render our opinion as to certain tax matters in connection with the Registration Statement on Form S-4 (the “Registration Statement”), relating to the registration by the Company of the Exchange Notes to be offered in the exchange offer, filed by the Company with the Securities and Exchange Commission (the “Commission”) pursuant to the Securities Act of 1933 and the rules and regulations of the Commission promulgated thereunder (the “Rules”). Capitalized terms used but not defined herein have the respective meanings ascribed to them in the Registration Statement.

In rendering our opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such agreements and other documents as we have deemed relevant and necessary and we have made such investigations of law as we have deemed appropriate as a basis for the opinion expressed below. In our examination, we have assumed, without independent verification, (i) the authenticity of original documents, (ii) the accuracy of copies and the genuineness of signatures, (iii) that the execution and delivery by each party to a document and the performance by such party of its obligations thereunder have been authorized by all necessary measures and do not violate or result in a breach of or default under such party’s certificate or instrument of formation and by-laws or the laws of such party’s jurisdiction of organization, (iv) that each agreement represents the entire agreement between the parties with respect to the subject matter thereof, (v) that the parties to each agreement have complied, and will comply, with all of their respective covenants, agreements and undertakings contained therein and (vi) that the transactions provided for by each agreement were and will be carried out in accordance with their terms. In rendering our opinion we have made no independent investigation of the facts referred to herein and have relied for the purpose of rendering this opinion exclusively on those facts that have been provided to us by you and your agents, which we assume have been, and will continue to be, true.

The opinion set forth below is based on the Internal Revenue Code of 1986, as amended, administrative rulings, judicial decisions, Treasury regulations and other applicable authorities, all as in effect on the effective date of the Registration Statement. The statutory provisions, regulations, and interpretations upon which our opinion is based are subject to change, and such changes could apply retroactively. Any change in law or the facts regarding the Exchange Offer, or any inaccuracy in the facts or assumptions on which we relied, could affect the continuing validity of the opinion set forth below. We assume no responsibility to inform you of any such changes or inaccuracy that may occur or come to our attention.

Based upon and subject to the foregoing, and subject to the limitations and qualifications set forth herein and in the Registration Statement, the discussion set forth under the caption "Certain U.S. Federal Income Tax Considerations" in the Registration Statement, insofar as it expresses conclusions as to the application of United States federal income tax law, is our opinion as to certain material United States federal income tax consequences of exchanging Initial Notes for Exchange Notes pursuant to the exchange offer and of the ownership and disposition of Exchange Notes acquired pursuant to the exchange offer.

We are furnishing this letter in our capacity as United States federal income tax counsel to the Company.

We hereby consent to use of this opinion as an exhibit to the Registration Statement, to the use of our name under the heading "Legal Matters" contained in the prospectus included in the Registration Statement and to the discussion of this opinion in the prospectus included in the Registration Statement. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required by the Act or the Rules.

Very truly yours,

/s/ Paul, Weiss, Rifkind, Wharton & Garrison LLP
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Subsidiaries of SB/RH Holdings, LLC

<u>Subsidiary</u>	<u>Jurisdiction</u>
8 in 1 Pet Products GmbH	Germany
AA Group (U.S.) – A LLC	USA (Delaware)
AA Group (U.S.) – B LLC	USA (Delaware)
AAG IDQ Acquisition Corporation	USA (Delaware)
AAG UK Holding Limited	United Kingdom
AAG UK Parent Limited	United Kingdom
Agrocueros, S.A.	Ecuador
Anabasis Handelsgesellschaft GmbH	Germany
AO “Spectrum Brands” Russia	Russian Federation
Applica Asia Limited	Hong Kong
Applica Manufacturing, S. de R.L. de C.V.	Mexico
Applica Mexico Holdings, Inc.	USA (Delaware)
Aquarium Systems Manufacturer of Instant Ocean	France
Armored Auto (UK) LP	United Kingdom
Armored Auto UK Limited	United Kingdom
Armored AutoGroup Australia Pty Ltd	Australia
Armored AutoGroup Canada ULC	Canada
Armored AutoGroup HK Limited	Hong Kong
Armored AutoGroup Inc.	USA (Delaware)
Armored AutoGroup Intermediate Inc.	USA (Delaware)
Armored AutoGroup Malaysia Sdn. Bhd.	Malaysia
Armored AutoGroup New Zealand ULC	New Zealand
Armored AutoGroup Parent Inc.	USA (Delaware)
Armored AutoGroup Philippines Inc.	Philippines
Armored AutoGroup Puerto Rico LLC	Puerto Rico
Armored AutoGroup Sales Inc.	USA (Delaware)

Subsidiary	Jurisdiction
Cannines Supplies de Mexico, S. de R.L. de C.V.	Mexico
Carmen Ltd. (formerly The Carmen Curler Co. Ltd., House of Carmen Ltd.)	United Kingdom
Dai Neng, Inc.	China
DH Haden Ltd.	United Kingdom
Distribuidora Rayovac Guatemala, S.A. (formerly Distribuidora M.A. Nicol)	Guatemala
Distribuidora Rayovac Honduras, S.A. (formerly Distribuidora de Pilas S.A.)	Honduras
Distribuidora Ray-O-Vac/Varta, S.A. de C.V.	Mexico
Household Products Chile Comercial Limitada (formerly Laponia S.A.)	Chile
IDQ Acquisition Corp.	USA (Delaware)
IDQ Holdings, Inc.	USA (Delaware)
IDQ Operating, Inc.	USA (New York)
Kent Chamois Company Limited	United Kingdom
Iams Europe, B.V.	Netherlands
Landscape Depot LLC	USA (Texas)
Maanring Holding B.V.	Netherlands
Minera Vidaluz, S.A. de C.V.	Mexico
National Manufacturing Mexico A, LLC	USA (Delaware)
National Manufacturing Mexico B, LLC	USA (Delaware)
National Openings, LLC	USA (Pennsylvania)
Paula Grundstücksverwaltungs GmbH & Co. Vermietungs-KG	Germany
Petbelly International LLC	USA (Florida)
Petco Limitada	Colombia
PPC Industries Ltd.	British Virgin Islands
Products Plus Limited	Cayman Islands
Products Plus LLC	USA (Delaware)
Rayovac (UK) Limited	United Kingdom
Rayovac Argentina, S.R.L.	Argentina
Rayovac Costa Rica, S.A. (formerly DICAPI)	Costa Rica

Subsidiary	Jurisdiction
Ray-O-Vac de Mexico, S.A. de C.V.	Mexico
Rayovac Dominican Republic, S.A.	Dominican Republic
Rayovac El Salvador, S.A. de C.V.	El Salvador
Rayovac Europe GmbH	Germany
Rayovac Guatemala, S.A. (formerly Duralux S.A.)	Guatemala
Rayovac Honduras, S.A. (formerly Industrias de Pilas, S.A.)	Honduras
Rayovac Overseas Corp.	Cayman Islands
Rayovac Venezuela, S.A.	Venezuela
Spectrum Brands Colombia S.A. (formerly Rayovac-VARTA S.A.)	Colombia
Remington Asia	Cayman Islands
Remington Consumer Products Ltd. (UK)	United Kingdom
Remington Licensing Corporation	USA (Delaware)
ROV German General Partner GmbH	Germany
ROV German Limited GmbH	Germany
ROV Holding, Inc.	USA (Delaware)
ROV International Holdings, LLC	USA (Delaware)
Russell Hobbs Deutschland GmbH (formerly Salton Deutschland GmbH)	Germany
Russell Hobbs Holdings Ltd. (formerly The Filani (Nigeria) Tin Mining Co. Ltd., Pifco Holdings Ltd., Pifco Holding Plc., Salton Holdings Ltd.)	United Kingdom
Russell Hobbs Limited (formerly Pifco Limited, Salton Europe Limited)	United Kingdom
Russell Hobbs Tower Ltd. (formerly Nadir Modes (London) Ltd.)	United Kingdom
Salix Animal Health LLC	USA (Florida)
Salton Australia Pty. Ltd. (formerly Salton Maxim Housewares Pty. Ltd.)	Australia
Salton Hong Kong Ltd. (formerly Gassen Limited)	Hong Kong
Salton Italia Srl.	Italy
Salton NZ Ltd.	New Zealand
Salton S.á.r.l.	Luxembourg
Salton UK	United Kingdom
SB/RH Holdings, LLC	USA (Delaware)

Subsidiary	Jurisdiction
Schultz Company	USA (Missouri)
Shanghai AAG Automotive Products Trading Co., Ltd.	China
Shaser, Inc.	USA (Delaware)
SPB Sweden AB (formerly VARTA Remington Rayovac Sweden AB)	Sweden
Spectrum Brands (Hong Kong) Limited	Hong Kong
Spectrum Brands (Shenzhen) Ltd.	China
Spectrum Brands (UK) Holdings Limited	United Kingdom
Spectrum Brands (UK) Limited (formerly Rayovac Europe Limited)	United Kingdom
Spectrum Brands (Xiamen) Industrial Co., Ltd. (formerly Black & Decker (Xiamen) Industrial Co., Ltd.)	China
Spectrum Brands Appliances (Ireland) Limited (formerly Remington Consumer Products (Ireland) Limited)	Dublin, Ireland
Spectrum Brands Asia	Cayman Islands
Spectrum Brands Australia Pty. Ltd. (formerly Remington Products Australia Pty. Ltd.)	Australia
Spectrum Brands Austria GmbH (formerly VARTA Batterie Ges.m.b.H.)	Austria
Spectrum Brands Benelux B.V. (formerly VARTA B.V.)	Netherlands
Spectrum Brands Brasil Industria e Comercio de Bens de Consumo Ltda. (formerly Microlite S.A.)	Brazil
Spectrum Brands Bulgaria EOOD	Bulgaria
Spectrum Brands Canada, Inc.	Canada
Spectrum Brands Czech spol. s r.o. (formerly VARTA Baterie spol.s.r.o.)	Czech Republic
Spectrum Brands del Peru S.A.C.	Peru
Spectrum Brands Denmark A/S (formerly VARTA Consumer Batteries A/S)	Denmark
Spectrum Brands East Asia Holdings Limited	Hong Kong
Spectrum Brands Europe GmbH	Germany
Spectrum Brands Finland Oy (formerly VARTA Remington Rayovac Finland Oy)	Finland
Spectrum Brands France S.A.S. (formerly Varta S.A.S.)	France
Spectrum Brands HHI (Shenzhen) Co., Ltd. (formerly Stanley Technology Co. Ltd.)	China
Spectrum Brands HHI (Zhongshan) Co., Ltd. (formerly Stanley (Zhongshan) Hardware Co., Ltd.)	China
Spectrum Brands HHI Mexico, S de RL de CV (formerly Black & Decker HHI Mexico S. De R.L. de C.V.)	Mexico

<u>Subsidiary</u>	<u>Jurisdiction</u>
Spectrum Brands HK1 Limited	Hong Kong
Spectrum Brands HK2 Limited	Hong Kong
Spectrum Brands Holding BV	Netherlands
Spectrum Brands Hrvatska d.o.o. (formerly VARTA Remington Rayovac d.o.o.)	Croatia
Spectrum Brands Hungaria Kft (formerly VARTA-Hungaria Kereskedelmi és Szolgáltató Kft)	Hungary
Spectrum Brands Italia S.r.L. (formerly VARTA Batterie S.r.l.)	Italy
Spectrum Brands Japan K.K. (formerly Tetra Japan KK)	Japan
Spectrum Brands Lux II S. á R.L.	Luxembourg
Spectrum Brands Lux S. á R.L.	Luxembourg
Spectrum Brands New Zealand Ltd. (formerly Remington Products New Zealand Ltd.)	New Zealand
Spectrum Brands Norway AS (formerly VARTA Remington Rayovac Norway AS)	Norway
Spectrum Brands Panama, LLC	Panama
Spectrum Brands Poland Sp. Z.o.o. (formerly known as VARTA Baterie Sp.z.o.o.)	Poland
Spectrum Brands Portugal Unipessoal Lda. (formerly known as VARTA Remington Rayovac Portugal Unipessoal Lda)	Portugal
Spectrum Brands Real Estate B.V	Netherlands
Spectrum Brands Romania S.R.L. (formerly VARTA Rayovac Remington S.R.L.)	Romania
Spectrum Brands Schweiz GmbH	Switzerland
Spectrum Brands Singapore Pte. Ltd. (formerly Tetra Aquatic Asia Pacific Private Limited)	Singapore
Spectrum Brands Slovakia spol.s.r.o. (formerly VARTA BATERIE spol.s.r.o.)	Slovakia
Spectrum Brands, Inc.	USA (Delaware)
Spectrum China Business Trust	China
STP Products Manufacturing Company	USA (Delaware)
Tell Holdings Hong Kong Limited	China
Tetra (UK) Limited	United Kingdom
Tetra GmbH	Germany
Tetra Holding GmbH	Germany
The Armor All/STP Products Company	USA (Delaware)

Subsidiary	Jurisdiction
The Fair Manufacturing Company Ltd.	Cambodia
Toastmaster de Mexico S.A. de C.V.	Mexico
Tong Lung Metal Industry Co. Ltd. (formerly Spectrum Brands Taiwan, Inc.)	Taiwan
Tong Lung Philippines Metal Industry Co., Inc.	Philippines
United Industries Corporation	USA (Delaware)
VARTA Consumer Batteries GmbH & Co. KGaA (General Partner: ROV German General Partner GmbH)	Germany
VARTA Limited	United Kingdom
VARTA Pilleri Ticaret Limited Sirketi	Turkey
Spectrum Brands Spain, S.L. (formerly VARTA Remington Rayovac Spain SL)	Spain
Spectrum Brands, Trgovina, d.o.o. (formerly VARTA Remington Rayovac, Trgovina d.o.o.)	Slovenia
Viking Acquisitions S. de R.L. de C.V.	Mexico
Viking Acquisitions Servicios S. de R.L. de C.V.	Mexico
Weiser Lock Mexico S. de R.L. C.V.	Mexico

Consent of Independent Registered Public Accounting Firm

The Board of Directors
SB/RH Holdings, LLC:

We consent to the use of our report dated November 21, 2014, with respect to the consolidated statements of financial position of SB/RH Holdings, LLC and subsidiaries as of September 30, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended September 30, 2014, and the related financial statement schedule II, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Milwaukee, Wisconsin
September 21, 2015

Consent of Independent Auditor

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated April 17, 2015, with respect to the consolidated financial statements of Armored AutoGroup Parent, Inc. as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014 included in the Registration Statement on Form S-4 and related Prospectus of Spectrum Brands, Inc. for the registration of \$250,000,000 6.125% Senior Notes due 2024 and Related Guarantees and \$1,000,000,000 5.750% Senior Notes due 2025 and Related Guarantees.

/s/ Ernst & Young LLP

Stamford, Connecticut
September 21, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE** **Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)****U.S. BANK NATIONAL ASSOCIATION**

(Exact name of Trustee as specified in its charter)

31-0841368

I.R.S. Employer Identification No.

800 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)55402
(Zip Code)Wally Jones
U.S. Bank National Association
333 Commerce Street, Suite 800
Nashville, TN 37201
(615) 251-0733
(Name, address and telephone number of agent for service)SPECTRUM BRANDS, INC.¹⁰
(Issuer with respect to the Securities)Delaware
(State or other jurisdiction of
incorporation or organization)22-2423556
(I.R.S. Employer
Identification No.)3001 Deming Way
Middleton, Wisconsin
(Address of Principal Executive Offices)53562
(Zip Code)6.125% Senior Notes due 2024 and Related Guarantees
(Title of the Indenture Securities)¹⁰ See table of additional obligors on Schedule A hereto.

SCHEDULE A

Name*	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
AA Group (U.S.) – A LLC	Delaware	3690	45-4070567
AA Group (U.S.) – B LLC	Delaware	3690	45-4070646
AAG IDQ Acquisition Corporation	Delaware	3690	46-4980905
Applica Mexico Holdings, Inc.	Delaware	3690	74-3100872
Armored AutoGroup Inc.	Delaware	3690	27-3620112
Armored AutoGroup Intermediate Inc.	Delaware	3690	27-3620036
Armored AutoGroup Parent Inc.	Delaware	3690	27-3619935
Armored AutoGroup Sales Inc.	Delaware	3690	27-5136040
IDQ Acquisition Corp.	Delaware	3690	80-0595723
IDQ Holdings, Inc.	Delaware	3690	03-0386828
IDQ Operating, Inc.	New York	3690	11-2225300
National Manufacturing Mexico A LLC	Delaware	3690	N/A**
National Manufacturing Mexico B LLC	Delaware	3690	N/A**
National Openings, LLC	Pennsylvania	3690	46-2516338
ROV Holding, Inc.	Delaware	3690	22-2423555
ROV International Holdings LLC	Delaware	3690	N/A**
Salix Animal Health, LLC	Florida	3690	65-0965477
SB/RH Holdings, LLC	Delaware	3690	27-2812840
Schultz Company	Missouri	3690	43-0625762
STP Products Manufacturing Company	Delaware	3690	06-1408442
The Armor All/STP Products Company	Delaware	3690	36-2999270
United Industries Corporation	Delaware	3690	43-1025604

* The address of each additional registrant's principal executive office is c/o Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340.

** Single member LLC disregarded for U.S. tax purposes.

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*

Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*

Yes

Item 2. AFFILIATIONS WITH OBLIGOR. *If the obligor is an affiliate of the Trustee, describe each such affiliation.*

None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. LIST OF EXHIBITS: *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee.*
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, attached as Exhibit 3.
4. A copy of the existing bylaws of the Trustee.**
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of June 30, 2015 published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

* Incorporated by reference to Exhibit 25.1 to Amendment No. 2 to registration statement on S-4, Registration Number 333-128217 filed on November 15, 2005.

** Incorporated by reference to Exhibit 25.1 to registration statement on form S-3ASR, Registration Number 333-199863 filed on November 5, 2014.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Nashville, State of Tennessee on the 2nd of September, 2015.

By: /s/ Wally Jones

Wally Jones
Vice President



CERTIFICATE OF CORPORATE EXISTENCE

I, Thomas J. Curry, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.
2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today,
July 3, 2015, I have hereunto subscribed
my name and caused my seal of office to be
affixed to these presents at the U.S.
Department of the Treasury, in the City of
Washington, District of Columbia.



A handwritten signature in black ink, appearing to read "Thomas J. Curry".

Comptroller of the Currency



CERTIFICATION OF FIDUCIARY POWERS

I, Thomas J. Curry, Comptroller of the Currency, do hereby certify that:

1. The Office of the Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.
2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), was granted, under the hand and seal of the Comptroller, the right to act in all fiduciary capacities authorized under the provisions of the Act of Congress approved September 28, 1962, 76 Stat. 668, 12 USC 92a, and that the authority so granted remains in full force and effect on the date of this certificate.

IN TESTIMONY WHEREOF, today,
July 3, 2015, I have hereunto subscribed my name
and caused my seal of office to be affixed to these
presents at the U.S. Department of the Treasury, in
the City of Washington, District of Columbia.



A handwritten signature in black ink, appearing to read "Thomas J. Curry".

Comptroller of the Currency

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: September 2, 2015

By: /s/ Wally Jones

Wally Jones

Vice President

Exhibit 7
U.S. Bank National Association
Statement of Financial Condition
As of 6/30/2015

(\$000's)

	6/30/2015
Assets	
Cash and Balances Due From Depository Institutions	\$ 17,896,807
Securities	102,874,924
Federal Funds	53,692
Loans & Lease Financing Receivables	252,013,047
Fixed Assets	4,310,148
Intangible Assets	13,076,832
Other Assets	23,776,797
Total Assets	\$414,002,247
Liabilities	
Deposits	\$307,828,983
Fed Funds	1,465,991
Treasury Demand Notes	0
Trading Liabilities	885,507
Other Borrowed Money	46,539,645
Acceptances	0
Subordinated Notes and Debentures	3,650,000
Other Liabilities	11,984,151
Total Liabilities	\$372,354,277
Equity	
Common and Preferred Stock	18,200
Surplus	14,266,400
Undivided Profits	26,502,086
Minority Interest in Subsidiaries	861,284
Total Equity Capital	\$ 41,647,970
Total Liabilities and Equity Capital	\$414,002,247

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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(Zip Code)Wally Jones
U.S. Bank National Association
333 Commerce Street, Suite 800
Nashville, TN 37201
(615) 251-0733
(Name, address and telephone number of agent for service)SPECTRUM BRANDS, INC.¹¹
(Issuer with respect to the Securities)Delaware
(State or other jurisdiction of
incorporation or organization)22-2423556
(I.R.S. Employer
Identification No.)3001 Deming Way
Middleton, Wisconsin
(Address of Principal Executive Offices)53562
(Zip Code)5.750% Senior Notes due 2025 and Related Guarantees
(Title of the Indenture Securities)¹¹ See table of additional obligors on Schedule A hereto.

SCHEDULE A

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SB/RH Holdings, LLC	Delaware	3690	27-2812840
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* The address of each additional registrant’s principal executive office is c/o Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340.

** Single member LLC disregarded for U.S. tax purposes.

FORM T-1

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a) *Name and address of each examining or supervising authority to which it is subject.*

Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*

Yes

Item 2. AFFILIATIONS WITH OBLIGOR. *If the obligor is an affiliate of the Trustee, describe each such affiliation.*

None

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SIGNATURE

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By: /s/ Wally Jones

Wally Jones
Vice President



CERTIFICATE OF CORPORATE EXISTENCE

I, Thomas J. Curry, Comptroller of the Currency, do hereby certify that:

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IN TESTIMONY WHEREOF, today, July 3, 2015, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the U.S. Department of the Treasury, in the City of Washington, District of Columbia.



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Comptroller of the Currency



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A handwritten signature in black ink, appearing to read 'Thomas J. Curry', written over a horizontal line.

Comptroller of the Currency



Exhibit 6

CONSENT

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Dated: September 2, 2015

By: /s/ Wally Jones

Wally Jones

Vice President

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As of 6/30/2015

(\$000's)

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Total Assets	\$414,002,247
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Surplus	14,266,400
Undivided Profits	26,502,086
Minority Interest in Subsidiaries	861,284
Total Equity Capital	\$ 41,647,970
Total Liabilities and Equity Capital	\$414,002,247

LETTER OF TRANSMITTAL

To Tender for Exchange
\$250,000,000 Aggregate Principal Amount
6.125% Senior Notes due 2024
(CUSIP Numbers 84762L AR6 / U84569 AF6);
and
\$1,000,000,000 Aggregate Principal Amount
5.750% Senior Notes due 2025
(CUSIP Numbers 84762L AT2 / U84569 AG4)

Spectrum Brands, Inc.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, _____, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS OF INITIAL NOTES MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

Delivery to: U.S. Bank National Association (the "Exchange Agent")

By Registered and Certified Mail:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By Regular Mail or Overnight Courier:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By facsimile (for eligible institutions only):

651-466-7372

For Information or Confirmation by Telephone:

(800) 934-6802

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

PLEASE READ THIS ENTIRE LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING ANY BOX BELOW.

The undersigned acknowledges that he or she has received the prospectus, dated , (the “Prospectus”), of Spectrum Brands, Inc., a Delaware corporation (the “Company”), and this Letter of Transmittal (the “Letter”), which together constitute the Company’s offer (the “Exchange Offer”) to exchange \$250,000,000 aggregate principal amount of its 6.125% Senior Notes due 2024 (CUSIP Number 84762L AS4) and \$1,000,000,000 aggregate principal amount of its 5.750% Senior Notes due 2025 (CUSIP Number 84762L AU9) (together, the “Exchange Notes”), for a corresponding and like aggregate principal amount of its outstanding 6.125% Senior Notes due 2024 (CUSIP Numbers 84762L AR6 / U84569 AF6) and 5.750% Senior Notes due 2025 (CUSIP Numbers 84762L AT2 / U84569 AG4), respectively (together, the “Initial Notes”), that were issued and sold in reliance upon an exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”). Capitalized terms not defined herein are defined in the Prospectus.

For each Initial Note accepted for exchange, the holder of such Initial Note will receive a corresponding Exchange Note having an aggregate principal amount equal to that of the surrendered Initial Note.

This Letter is to be completed by a holder of Initial Notes either if certificates are to be forwarded herewith or if a tender of certificates for Initial Notes, if available, is to be made by book-entry transfer to the account maintained by the Exchange Agent at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in "The Exchange Offer—Procedures for Tendering Initial Notes—Book-Entry Delivery Procedure" section of the Prospectus and an Agent's Message (as defined herein) is not delivered. Delivery of this Letter and any other required documents should be made to the Exchange Agent. Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Exchange Agent.

Holders of Initial Notes whose certificates are not immediately available, or who are unable to deliver their certificates (or cannot obtain a confirmation of the book-entry tender of their Initial Notes into the Exchange Agent's account at the Book-Entry Transfer Facility (a "Book-Entry Confirmation") on a timely basis) and all other documents required by this Letter to the Exchange Agent prior to the Expiration Date, must tender their Initial Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure" section of the Prospectus. See Instruction 1.

The undersigned has completed the appropriate boxes below and signed this Letter to indicate the action the undersigned desires to take with respect to the Exchange Offer. Holders who wish to exchange their Initial Notes must complete this Letter in its entirety.

The instructions included with this Letter must be followed. Questions and requests for assistance or for additional copies of the Prospectus and this Letter may be directed to the Exchange Agent.

List below the Initial Notes to which this Letter relates. If the space provided below is inadequate, the certificate numbers and principal amount of Initial Notes should be listed on a separate signed schedule affixed to this Letter.

**DESCRIPTION OF INITIAL NOTES
(See Instruction 2)**

Name(s) and Address(es) of Registered Holder(s) Exactly as Name(s) appear(s) on Initial Notes (Please fill in, if blank)	Certificate Number(s)*	Aggregate Principal Amount Represented by Certificate	Principal Amount Tendered (if less than all)**
Total			

* Need not be completed if Initial Notes are being tendered by book-entry transfer.
 ** Unless otherwise indicated in this column, the holder will be deemed to have tendered the full aggregate principal amount represented by such Initial Notes. See Instruction 2. Initial Notes tendered hereby must be in denominations of principal amount that are \$2,000 and integral multiples of \$1,000 in excess thereof. See Instruction 1.

CHECK HERE IF TENDERED INITIAL NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: _____

Account Number: _____ Transaction Code Number: _____

By crediting Initial Notes to the Exchange Agent's Account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's Automated Tender Offer Program ("ATOP") and by complying with applicable ATOP procedures with respect to the Exchange Offer, including transmitting an Agent's Message to the Exchange Agent in which the holder of Initial Notes acknowledges and agrees to be bound by the terms of this Letter, the participant in ATOP confirms on behalf of itself and the beneficial owners of such Initial Notes all provisions of this Letter applicable to it and such beneficial owners as if it had completed the information required herein and executed and transmitted this Letter to the Exchange Agent.

CHECK HERE IF TENDERED INITIAL NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s): _____

Window Ticket Number (if any): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Eligible Institution that Guaranteed Delivery: _____

If delivered by Book-Entry Transfer, complete the following:

Account Number: _____ Transaction Code Number: _____

CHECK HERE IF YOU ARE A BROKER-DEALER.

CHECK HERE IF YOU WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____

Address: _____

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company for exchange the aggregate principal amount of Initial Notes indicated above. Subject to, and effective upon, the acceptance for exchange of the Initial Notes tendered hereby, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to such Initial Notes as are being tendered hereby.

The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as the agent and attorney-in-fact of the undersigned (with full knowledge that the Exchange Agent also acts as the agent of the Company in connection with the Exchange Offer) with respect to the tendered Initial Notes with full power of substitution to (i) deliver such Initial Notes, or transfer ownership of such Initial Notes on the account books maintained by the Book-Entry Transfer Facility, to the Company and deliver all accompanying evidences of transfer and authenticity, and (ii) present such Initial Notes for transfer on the books of the Company and receive all benefits and otherwise exercise all rights of beneficial ownership of such Initial Notes, all in accordance with the terms of the Exchange Offer. The power of attorney granted in this paragraph shall be deemed to be irrevocable and coupled with an interest.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Initial Notes tendered hereby and to acquire Exchange Notes issuable upon the exchange of such tendered Initial Notes, and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company.

The undersigned acknowledges that this Exchange Offer is being made in reliance on interpretations by the staff of the Securities and Exchange Commission (the "SEC"), as set forth in no-action letters issued to third parties, that the Exchange Notes issued in exchange for the Initial Notes pursuant to the Exchange Offer may be offered for resale, resold and otherwise transferred by holders thereof (other than (i) any such holder that is an "affiliate" of the Company (as defined in Rule 405 under the Securities Act) or (ii) any broker-dealer that purchases Initial Notes from the Company to resell pursuant to Rule 144A under the Securities Act ("Rule 144A") or any other available exemption), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such holders' business and such holders have no arrangement or understanding with any person to participate in the distribution of such Exchange Notes and are not participating in, and do not intend to participate in, the distribution of the Exchange Notes. The undersigned acknowledges that the Company does not intend to request the SEC to consider, and the SEC has not considered the Exchange Offer in the context of a no-action letter, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the Exchange Offer as in other circumstances. The undersigned acknowledges that any holder that is an affiliate of the Company, or is participating in or intends to participate in or has any arrangement or understanding with respect to the distribution of the Exchange Notes to be acquired pursuant to the Exchange Offer, (i) cannot rely on the applicable interpretations of the staff of the SEC and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

The undersigned hereby further represents that (i) any Exchange Notes acquired pursuant to the Exchange Offer are being acquired in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is the holder; (ii) such holder or other person has no arrangement or understanding with any person to participate in a distribution of such Exchange Notes (within the meaning of the Securities Act) and is not participating in, and does not intend to participate in, the distribution of such Exchange Notes; and (iii) such holder or such other person is not an “affiliate,” (as defined in Rule 405 under the Securities Act), of the Company or, if such holder or such other person is an affiliate, such holder or such other person will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes. If the undersigned is a broker-dealer, that will receive Exchange Notes for its own account in exchange for Initial Notes that were acquired by it as a result of market-making or other trading activities, such broker-dealer acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale, offer to resell or other transfer of such Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

The undersigned also warrants that acceptance of any tendered Initial Notes by the Company and the issuance of Exchange Notes in exchange therefor shall constitute performance in full by the Company of certain of its obligations under the Registration Rights Agreement, which has been filed as an exhibit to the registration statement in connection with the Exchange Offer.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Initial Notes tendered hereby. All authority conferred or agreed to be conferred in this Letter and every obligation of the undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. This tender may be withdrawn only in accordance with the procedures set forth in this Letter.

The undersigned understands that tenders of the Initial Notes pursuant to any one of the procedures described under “The Exchange Offer—Procedures for Tendering Initial Notes” in the Prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and the Company in accordance with the terms and subject to the conditions of the Exchange Offer.

The undersigned recognizes that, under certain circumstances set forth in the Prospectus under “The Exchange Offer—Conditions to the Exchange Offer” the Company may not be required to accept for exchange any of the Initial Notes tendered. Initial Notes not accepted for exchange or withdrawn will be returned to the undersigned at the address set forth below unless otherwise indicated under “Special Delivery Instructions” below.

Unless otherwise indicated herein in the box entitled “Special Issuance Instructions” below, please deliver the Exchange Notes (and, if applicable, substitute certificates representing Initial Notes for any Initial Notes not exchanged) in the name of the undersigned or, in the case of a book-entry delivery of Initial Notes, please credit the account indicated above maintained at the Book Entry Transfer Facility. Similarly, unless otherwise indicated under the box entitled “Special Delivery

Instructions” below, please send the Exchange Notes (and, if applicable, substitute certificates representing Initial Notes for any Initial Notes not exchanged) to the undersigned at the address shown below the undersigned’s signature(s). In the event that both “Special Issuance Instructions” and “Special Delivery Instructions” are completed, please issue the Exchange Notes issued in exchange for the Initial Notes accepted for exchange (and, if applicable, substitute certificates representing Initial Notes for any Initial Notes not exchanged) in the names of the person(s) so indicated. The undersigned recognizes that the Company has no obligation pursuant to the “Special Issuance Instructions” and “Special Delivery Instructions” to transfer any Initial Notes from the name of the registered holder(s) thereof if the Company does not accept for exchange any of the Initial Notes so tendered for exchange.

The Book-Entry Transfer Facility, as the holder of record of certain Initial Notes, has granted authority to the Book-Entry Transfer Facility participants whose names appear on a security position listing with respect to such Initial Notes as of the date of tender of such Initial Notes to execute and deliver this Letter as if they were the holders of record. Accordingly, for purposes of this Letter, the term “holder” shall be deemed to include such Book-Entry Transfer Facility participants.

THE UNDERSIGNED, BY COMPLETING THE BOX ENTITLED “DESCRIPTION OF INITIAL NOTES” ABOVE AND SIGNING THIS LETTER AND DELIVERING SUCH NOTES AND THIS LETTER TO THE EXCHANGE AGENT, WILL BE DEEMED TO HAVE TENDERED THE INITIAL NOTES AS SET FORTH IN SUCH BOX ABOVE.

SPECIAL ISSUANCE INSTRUCTIONS
(See Instructions 3, 4, 5 and 6)

To be completed ONLY if certificates for Initial Notes not tendered or not accepted for exchange, or Exchange Notes issued in exchange for Initial Notes accepted for exchange, are to be issued in the name of and sent to someone other than the undersigned, or if Initial Notes delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

Issue (certificates) to:

Name(s): _____
(Please Type or Print)

(Please Type or Print)

Address: _____

(Include Zip Code)

(Taxpayer Identification or Social Security Number)

(Complete IRS Form W-9 or W-8 as applicable)

- Credit unexchanged Initial Notes delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below.

**(Book-Entry Transfer Facility
Account Number, if applicable)**

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 3, 4, 5 and 6)

To be completed ONLY if certificates for Initial Notes not tendered or not accepted for exchange, or Exchange Notes issued in exchange for Initial Notes accepted for exchange, are to be sent to someone other than the undersigned or to the undersigned at an address other than shown in the box entitled "Description of Initial Notes" above.

Mail to:

Name(s): _____
(Please Type or Print)

(Please Type or Print)

Address: _____

(Include Zip Code)

(Taxpayer Identification or Social Security Number)

(Complete IRS Form W-9 or W-8 as applicable)

IMPORTANT: UNLESS GUARANTEED DELIVERY PROCEDURES ARE COMPLIED WITH, THIS LETTER OR A FACSIMILE HEREOF OR AN AGENT'S MESSAGE IN LIEU HEREOF (IN EACH CASE, TOGETHER WITH THE CERTIFICATE(S) FOR INITIAL NOTES OR A CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M. NEW YORK CITY TIME, ON THE EXPIRATION DATE.

**PLEASE READ THIS ENTIRE LETTER OF TRANSMITTAL
CAREFULLY BEFORE COMPLETING ANY BOX ABOVE.**

PLEASE SIGN HERE

(TO BE COMPLETED BY ALL TENDERING HOLDERS WHETHER OR NOT
INITIAL NOTES ARE BEING PHYSICALLY TENDERED HEREBY)

(Please Also Complete and Return the Accompanying IRS Form W-9 or W-8 as applicable)

x _____

x _____

Signature(s) of Owner(s)

Date

Area Code and Telephone Number: _____

If a holder is tendering any Initial Notes, this Letter must be signed by the registered holder(s) exactly as the name(s) appear(s) on the certificate(s) for the Initial Notes or on a security position listing as the owner of Initial Notes by person(s) authorized to become registered holder(s) by a properly completed bond power from the registered holder(s), a copy of which must be transmitted with this Letter. If Initial Notes to which this Letter relates are held of record by two or more joint holders, then all such holders must sign this Letter. If signature is by a trustee, executor, administrator, guardian, officer or other person acting in a fiduciary or representative capacity, then such person must (i) set forth his or her full title below and (ii) unless waived by the Company, submit evidence satisfactory to the Company of such person's authority to so act. See Instruction 3.

Name(s): _____

(Please Type or Print)

(Please Type or Print)

Capacity: _____

Address: _____

(Including Zip Code)

SIGNATURE GUARANTEE BY AN ELIGIBLE INSTITUTION
(If required by Instruction 3)

Signature(s) Guaranteed by
an Eligible Institution: _____

(Authorized Signature)

(Title)

(Name of Firm)

(Address, Include Zip Code)

(Area Code and Telephone Number)

Dated: _____

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Exchange Offer

1. Delivery of this Letter and Initial Notes; Guaranteed Delivery Procedures.

This Letter is to be completed by noteholders either if certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for delivery by book-entry transfer set forth in “The Exchange Offer—Procedures for Tendering Initial Notes—Book-Entry Delivery Procedure” section of the Prospectus and an Agent’s Message is not delivered. Certificates for all physically tendered Initial Notes, or Book-Entry Confirmation, as the case may be, as well as a properly completed and duly executed Letter (or manually signed facsimile hereof) and any other documents required by this Letter, must be received by the Exchange Agent at the address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date, or the tendering holder must comply with the guaranteed delivery procedures set forth below. Initial Notes tendered hereby must be in denominations of principal amount that are \$2,000 and integral multiples of \$1,000 in excess thereof. The term “Agent’s Message” means a message, transmitted by The Depository Trust Company and received by the Exchange Agent and forming a part of the Book-Entry Confirmation, which states that the Book-Entry Transfer Facility has received an express acknowledgment from a participant tendering Initial Notes which are subject to the Book-Entry Confirmation and that such participant has received and agrees to be bound by this Letter and that the Company may enforce this Letter against such participant.

Noteholders who wish to tender their Initial Notes and (a) whose certificates for Initial Notes are not immediately available, or (b) who cannot deliver their certificates and all other required documents to the Exchange Agent prior to the Expiration Date, or (c) who cannot complete the procedure for book-entry transfer on a timely basis, must tender their Initial Notes pursuant to the guaranteed delivery procedures set forth in “The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure” section of the Prospectus. Pursuant to such procedures,

(i) such tender must be made through an Eligible Institution (as defined in Instruction 3 below),

(ii) prior to the Expiration Date, the Exchange Agent must receive from such Eligible Institution a properly completed and duly executed Letter (or a facsimile thereof) and Notice of Guaranteed Delivery, substantially in the form provided by the Company (by telegram, telex, facsimile transmission, mail or hand delivery), setting forth the name and address of the holder of Initial Notes and the amount of Initial Notes tendered, stating that the tender is being made thereby and guaranteeing that within three New York Stock Exchange (“NYSE”) trading days after the Expiration Date, the certificates for all Initial Notes tendered, or a Book-Entry Confirmation with an agent’s message, and any other documents required by the Letter will be deposited by the Eligible Institution with the Exchange Agent, and

(iii) the certificates for all physically tendered Initial Notes, in proper form for transfer, or Book-Entry Confirmation, as the case may be, and all other documents required by this Letter, are received by the Exchange Agent within three NYSE trading days after the Expiration Date.

The method of delivery of this Letter, the Initial Notes and all other required documents is at the election and risk of the tendering holders, but the delivery will be deemed made only when actually received or confirmed by the Exchange Agent. If Initial Notes are sent by mail, it is suggested that the mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date.

See "The Exchange Offer" section of the Prospectus.

2. Partial Tenders (not applicable to noteholders who tender by book-entry transfer).

Tenders of Initial Notes will be accepted only in denominations of principal amount that are \$2,000 and integral multiples of \$1,000 in excess thereof. If less than the entire principal amount of any Initial Notes is tendered, the tendering holder(s) should fill in the principal amount of Initial Notes to be tendered in the box above entitled "Description of Initial Notes." The entire principal amount of the Initial Notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of Initial Notes is not tendered, then Initial Notes for the principal amount of Initial Notes not tendered and Exchange Notes issued in exchange for any Initial Notes accepted will be sent to the holder at his or her registered address, unless otherwise provided in the appropriate box on this Letter, promptly after the Initial Notes are accepted for exchange.

3. Signatures on this Letter; Bond Powers and Endorsements; Guarantee of Signatures.

If this Letter is signed by the registered holder of the Initial Notes tendered hereby, the signature must correspond with the name(s) as written on the face of the certificates representing such Initial Notes without alteration, enlargement or any change whatsoever.

If this Letter is signed by a participant in the Book-Entry Transfer Facility, the signature must correspond with the name as it appears on the security position listing as the holder of the Initial Notes.

If any tendered Initial Notes are owned of record by two or more joint owners, all of such owners must sign this Letter.

If any tendered Initial Notes are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate copies of this Letter as there are different registrations of certificates.

When this Letter is signed by the registered holder or holders of the Initial Notes specified herein and tendered hereby, no endorsements of certificates or separate bond powers are required. If, however, the Exchange Notes are to be issued, or any untendered Initial Notes are to be reissued, to a person other than the registered holder, then endorsements of any certificates transmitted hereby or separate bond powers are required. Signatures on such certificate(s) must be guaranteed by an Eligible Institution (as defined below).

If this Letter is signed by a person other than the registered holder or holders of any certificate(s) specified herein, such certificate(s) must be endorsed or accompanied by appropriate bond powers and a proxy that authorizes such person to tender the Initial Notes on behalf of the registered holder(s) in form satisfactory to the Company as determined in its sole discretion, in either case signed exactly as the name or names of the registered holder or holders appear(s) on the certificate(s) and signatures on such certificate(s) must be guaranteed by an Eligible Institution (as defined below).

If this Letter or any certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, evidence satisfactory to the Company of its authority to so act must be submitted with the Letter.

Endorsements on certificates for Initial Notes or signatures on bond powers required by this Instruction 3 must be guaranteed by a firm which is a member of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each an "Eligible Institution").

Signatures on this Letter need not be guaranteed by an Eligible Institution if the Initial Notes are tendered: (i) by a registered holder of Initial Notes (which term, for purposes of the Exchange Offer, includes any participant in the Book-Entry Transfer Facility system whose name appears on a security position listing as the holder of such Initial Notes) who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on this Letter, or (ii) for the account of an Eligible Institution.

4. Special Issuance and Delivery Instructions.

Tendering holders of Initial Notes should indicate, in the applicable box or boxes, the name and address (or account at the Book-Entry Transfer Facility) to which Exchange Notes issued pursuant to the Exchange Offer, or substitute Initial Notes not tendered or accepted for exchange, are to be issued or sent, if different from the name or address of the person signing this Letter. In the case of issuance in a different name, the employer identification or social security number of the person named must also be indicated. Holders tendering Initial Notes by book-entry transfer may request that Initial Notes not exchanged be credited to such account maintained at the Book-Entry Transfer Facility as such noteholder may designate hereon. If no such instructions are given, such Initial Notes not exchanged will be returned to the name or address of the person signing this Letter.

5. IRS Form W-9.

Under U.S. federal income tax law, payments made in respect of Exchange Notes issued pursuant to the Exchange Offer may be subject to backup withholding at the rate, currently 28%, specified in Section 3406(a)(1) of the Code (the "Specified Rate"). In order to avoid such backup withholding, each tendering holder (or other payee) that is a U.S. person (including a U.S. resident alien) should complete and sign the Internal Revenue Service ("IRS") Form W-9 included with this Letter, on which form such holder must provide the correct taxpayer identification number ("TIN") and certify, under penalties of perjury, that (a) the TIN provided is correct or that such holder is awaiting a TIN; (b) the holder is not subject to backup withholding because (i) the holder has not been notified by the IRS that the holder is subject to backup withholding as a result of failure to

report interest or dividends, (ii) the IRS has notified the holder that the holder is no longer subject to backup withholding, or (iii) the holder is exempt from backup withholding; and (c) the holder is a U.S. person (including a U.S. resident alien). If a holder has been notified by the IRS that it is subject to backup withholding, it must follow the applicable instructions included with the IRS Form W-9.

The holder (other than an exempt or foreign holder subject to the requirements described below) is required to give the TIN (in general, if an individual, the holder's Social Security number, otherwise, the holder's employer identification number) of the record holder of the Initial Notes. If the tendering holder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such holder should follow the applicable instructions included with the IRS Form W-9. If the Exchange Agent or the Company is not provided with the correct TIN, the holder may be subject to a \$50 penalty imposed by the Code in addition to backup withholding at the Specified Rate on payments to such holder.

Certain holders (including all corporations and certain holders that are neither U.S. persons nor U.S. resident aliens ("foreign holders")) are not subject to these backup withholding and reporting requirements. Such an exempt holder, other than a holder that is a foreign person, should enter the holder's name, address, status and TIN on the IRS Form W-9 and check the "Exempt Payee" box on the IRS Form W-9, and sign, date and return the IRS Form W-9 to the Paying Agent and should follow the additional instructions included with the IRS Form W-9. A foreign holder should not complete the IRS Form W-9. In order for a foreign holder to qualify as an exempt recipient, such holder must submit a statement (generally, an applicable IRS Form W-8 or Form W-8BEN-E), signed under penalties of perjury, attesting to that person's exempt status. Such statements can be obtained from the Exchange Agent or online from the IRS at www.irs.gov. For further information concerning backup withholding and instructions for completing the IRS Form W-9 (including how to obtain a TIN if you do not have one and how to complete the IRS Form W-9 if Initial Notes are registered in more than one name), consult the instructions included with the IRS Form W-9.

Failure to complete the IRS Form W-9 will not, by itself, cause Initial Notes to be deemed invalidly tendered, but may require the Company (or the Paying Agent) to withhold at the Specified Rate on payments made in respect of Exchange Notes. Backup withholding is not an additional tax. Rather, if the required information is furnished to the IRS, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS.

6. Transfer Taxes.

The Company will pay all transfer taxes, if any, applicable to the transfer of Initial Notes to it or its order pursuant to the Exchange Offer. If, however, Exchange Notes or substitute Initial Notes not exchanged are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the Initial Notes tendered hereby, or if tendered Initial Notes are registered in the name of any person other than the person signing this Letter, or if a transfer tax is imposed for any reason other than the transfer of Initial Notes to the Company or its order pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter, the amount of such transfer taxes will be billed directly to such tendering holder.

If the tendering holder does not submit satisfactory evidence of the payment of any of these taxes or of any exemption from this payment with this Letter, the Company will bill the tendering holder directly the amount of these transfer taxes.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Initial Notes specified in this Letter or for funds to cover such stamps to be provided with the Initial Notes specified in this Letter.

7. Waiver of Conditions.

The Company reserves the absolute right to amend, waive or modify, in whole or in part, any or all conditions to the Exchange Offer.

8. No Conditional Tenders.

No alternative, conditional, irregular or contingent tenders will be accepted. All tendering holders of Initial Notes, by execution of this Letter, shall waive any right to receive notice of the acceptance of their Initial Notes for exchange.

Neither the Company, the Exchange Agent nor any other person is obligated to give notice of any defect or irregularity with respect to any tender of Initial Notes nor shall any of them incur any liability for failure to give any such notice.

9. Mutilated, Lost, Stolen or Destroyed Initial Notes.

Any holder whose Initial Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions. This Letter and related documents cannot be processed until the Initial Notes have been replaced.

10. Requests for Assistance or Additional Copies.

Questions relating to the procedure for tendering, as well as requests for additional copies of the Prospectus, this Letter and the Notice of Guaranteed Delivery, may be directed to the Exchange Agent, at the address and telephone number indicated above.

11. Incorporation of Letter of Transmittal.

This Letter shall be deemed to be incorporated in and acknowledged and accepted by any tender through the Book-Entry Transfer Facility's ATOP procedures by any participant on behalf of itself and the beneficial owners of any Initial Notes so tendered.

12. Withdrawals.

Tenders of Initial Notes may be withdrawn only pursuant to the limited withdrawal rights set forth in the Prospectus under the caption "The Exchange Offer—Withdrawal of Tenders" in the Prospectus.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) u _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) u _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person u _____	Date u _____
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. Individual. Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. Sole proprietor or single-member LLC. Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation. Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. Other entities. Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

1 See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i) (A))	The grantor ⁴
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i) (B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

NOTICE OF GUARANTEED DELIVERY

SPECTRUM BRANDS, INC.

Offer to Exchange

**\$250,000,000 Aggregate Principal Amount of its
6.125% Senior Notes due 2024 (CUSIP Number 84762L AS4) which
Have Been Registered under the Securities Act of 1933, as amended
for a Like Aggregate Principal Amount of its
6.125% Senior Notes due 2024 (CUSIP Numbers 84762L AR6 / U84569 AF6)
and
\$1,000,000,000 Aggregate Principal Amount of its
5.750% Senior Notes due 2025 (CUSIP Number 84762L AU9) which
Have Been Registered under the Securities Act of 1933, as amended
for a Like Aggregate Principal Amount of its
5.750% Senior Notes due 2025 (CUSIP Numbers 84762L AT2 / U84569 AG4)**

This form or one substantially equivalent hereto must be used to accept the Exchange Offer of Spectrum Brands, Inc. (the "Company") made pursuant to the prospectus dated _____, (the "Prospectus"), if certificates for the outstanding \$250,000,000 aggregate principal amount of its 6.125% Senior Notes due 2024 (CUSIP Numbers 84762L AR6 / U84569 AF6) or \$1,000,000,000 aggregate principal amount of its 5.750% Senior Notes due 2025 (CUSIP Numbers 84762L AT2 / U84569 AG4) (together, the "Initial Notes") are not immediately available or if the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit the Initial Notes and all required documents to reach the Company prior to 5:00 p.m., New York City time, on the Expiration Date of the Exchange Offer. Such form may be delivered or transmitted by telegram, telex, facsimile transmission, mail or hand delivery to U.S. Bank National Association (the "Exchange Agent") as set forth below and must be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. In addition, in order to utilize the guaranteed delivery, a Letter of Transmittal (or facsimile thereof), must also be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. Certificates for all tendered Initial Notes in proper form for transfer or a book-entry confirmation with an agent's message, as the case may be, and all other documents required by the Letter of Transmittal must be received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date. Capitalized terms not defined herein are defined in the Prospectus.

Delivery to:

U.S. Bank National Association
Exchange Agent

By Registered and Certified Mail:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By Regular Mail or Overnight Courier:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By facsimile (for eligible institutions only):
651-466-7372

For information or confirmation by telephone:
(800) 934-6802

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

Upon the terms and conditions set forth in the Prospectus and the accompanying Letter of Transmittal, the undersigned hereby tenders to the Company the principal amount of Initial Notes set forth below, pursuant to the guaranteed delivery procedure described in “The Exchange Offer—Procedures for Tendering Initial Notes” section of the Prospectus.

Principal Amount of 6.125% Senior Notes due 2024 Initial
Notes Tendered¹²

\$ _____

Certificate Nos. (if available):

Total Principal Amount Represented by
Initial Notes Certificate(s):

\$ _____

If Initial Notes will be delivered by book-entry transfer to The
Depository Trust Company, provide account number.

Account Number _____

Principal Amount of 5.750% Senior Notes due 2025 Initial
Notes Tendered¹³

\$ _____

Certificate Nos. (if available):

Total Principal Amount Represented by
Initial Notes Certificate(s):

\$ _____

If Initial Notes will be delivered by book-entry transfer to The
Depository Trust Company, provide account number.

Account Number _____

¹² Must be in denominations of principal amount of \$2,000 and integral multiples of \$1,000 in excess thereof.

¹³ Must be in denominations of principal amount of \$2,000 and integral multiples of \$1,000 in excess thereof.

ANY AUTHORITY HEREIN CONFERRED OR AGREED TO BE CONFERRED SHALL SURVIVE THE DEATH OR INCAPACITY OF THE UNDERSIGNED AND EVERY OBLIGATION OF THE UNDERSIGNED HEREUNDER SHALL BE BINDING UPON THE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS OF THE UNDERSIGNED.

PLEASE SIGN HERE

X _____

X _____

Signature(s) of Owner(s) or Authorized Signatory

Date

Area Code and Telephone Number: _____

Must be signed by the holder(s) of Initial Notes as their name(s) appear(s) on certificate(s) for Initial Notes or on a security position listing, or by person(s) authorized to become registered holder(s) by endorsement and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below.

PLEASE PRINT NAME(S) AND ADDRESS(ES)

Name(s):

Capacity:

Address(es):

GUARANTEE

The undersigned, a member of a registered national securities exchange, or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, hereby guarantees that the certificates representing the principal amount of Initial Notes tendered hereby in proper form for transfer, or timely confirmation of the book-entry transfer of such Initial Notes into the Exchange Agent's account at The Depository Trust Company pursuant to the procedures set forth in "The Exchange Offer—Procedures for Tendering Initial Notes" section of the Prospectus, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) with any required signature guarantee and any other documents required by the Letter of Transmittal, will be received by the Exchange Agent at the address set forth above, no later than three New York Stock Exchange trading days after the Expiration Date.

Name of Firm

Authorized Signature

Address

Title

Zip Code

Name: _____
(Please Type or Print)

Area Code and Tel. No. _____

Dated: _____

NOTE: DO NOT SEND CERTIFICATES FOR INITIAL NOTES WITH THIS FORM. CERTIFICATES FOR INITIAL NOTES SHOULD ONLY BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Spectrum Brands, Inc.

Offer to Exchange

**\$250,000,000 Aggregate Principal Amount of its
6.125% Senior Notes due 2024 (CUSIP Number 84762L AS4) which
Have Been Registered under the Securities Act of 1933, as amended
for a Like Aggregate Principal Amount of its
6.125% Senior Notes due 2024 (CUSIP Numbers 84762L AR6 / U84569 AF6)
and
\$1,000,000,000 Aggregate Principal Amount of its
5.750% Senior Notes due 2025 (CUSIP Number 84762L AU9) which
Have Been Registered under the Securities Act of 1933, as amended
for a Like Aggregate Principal Amount of its
5.750% Senior Notes due 2025 (CUSIP Numbers 84762L AT2 / U84569 AG4)**

To Registered Holders:

We are enclosing the materials listed below in connection with the offer (the "Exchange Offer") by Spectrum Brands, Inc. (the "Company") to exchange \$250,000,000 aggregate principal amount of its 6.125% Senior Notes due 2024 (CUSIP Number 84762L AS4) and \$1,000,000,000 aggregate principal amount of its 5.750% Senior Notes due 2025 (CUSIP Number 84762L AU9) (together, the "Exchange Notes"), for a corresponding and like aggregate principal amount of its outstanding 6.125% Senior Notes due 2024 (CUSIP Numbers 84762L AR6 / U84569 AF6) and 5.750% Senior Notes due 2025 (CUSIP Numbers 84762L AT2 / U84569 AG4), respectively (together, the "Initial Notes"), upon the terms and subject to the conditions set forth in the prospectus, dated _____, (the "Prospectus"), and the related letter of transmittal (the "Letter of Transmittal").

Enclosed are copies of the following documents:

- (5) Prospectus;
- (6) Letter of Transmittal; and
- (7) Notice of Guaranteed Delivery.

We urge you to contact your clients promptly. Please note that the Exchange Offer will expire at 5:00 p.m., New York City time, on _____, unless extended by the Company in its sole discretion.

Pursuant to the Letter of Transmittal, each holder of Initial Notes will represent to the Company that (i) such holder or other person has full power and authority to tender, sell, assign and transfer the Initial Notes tendered and to acquire Exchange Notes upon the exchange of such tendered Initial Notes and the Company will acquire good and marketable title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company; (ii) the Exchange Notes acquired pursuant to the Exchange Offer are being acquired in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is such holder, (iii) neither the holder of the Initial Notes nor any such other person has an arrangement or understanding with any person to participate in a distribution of such Exchange Notes (within the meaning of the Securities Act of 1933, as amended (the "Securities Act")), and is not participating in, and does not intend to participate in, the distribution of such Exchange Notes, (iv) if the holder is not a broker-dealer, the holder is not engaged in, and does not intend to engage in, a distribution of the Exchange Notes and (v) neither the holder nor any such other person is an "affiliate" (as defined in Rule 405 under the Securities Act) of the Company or, if such holder or such other person is an "affiliate," that such holder or such other person will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable. If the tendering holder is a broker-dealer (whether or not it is also an "affiliate") that will receive Exchange Notes for its own

account in exchange for Initial Notes that were acquired by it as a result of market-making or other trading activities, such broker-dealer acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale, offer to resell or other transfer of such Exchange Notes. By acknowledging that it will deliver and by delivering a prospectus meeting the requirements of the Securities Act in connection with any resale, offer to resell or other transfer of such Exchange Notes, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The Company will not pay any fee or commission to any broker or dealer or to any other persons (other than to U.S. Bank National Association (the "Exchange Agent")) in connection with the solicitation of tenders of Initial Notes pursuant to the Exchange Offer. The Company will pay or cause to be paid any transfer taxes payable on the transfer of Initial Notes to it, except as otherwise provided in Instruction 6 of the enclosed Letter of Transmittal.

Any inquiries you may have with respect to the Exchange Offer may be addressed to, and additional copies of the enclosed materials may be obtained from, the Exchange Agent in the manner set forth below.

Delivery to: U.S. Bank National Association

By Registered and Certified Mail:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By Regular Mail or Overnight Courier:

U. S. Bank National Association
Attn: Specialized Finance
111 Fillmore Avenue
St. Paul, MN 55107-1402

By facsimile (for eligible institutions only):

651-466-7372

For Information or Confirmation by Telephone:

(800) 934-6802

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU TO BE THE AGENT OF THE COMPANY OR THE EXCHANGE AGENT, OR AUTHORIZE YOU TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON THEIR BEHALF IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

September 21, 2015

VIA EDGAR

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Spectrum Brands, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

On behalf of our client, Spectrum Brands, Inc., a Delaware corporation (the "Company"), SB/RH Holdings, LLC and certain of the subsidiaries of the Company (collectively, the "Guarantors"), we are transmitting for filing with the Securities and Exchange Commission in electronic form a Registration Statement on Form S-4 (the "Registration Statement"), in connection with the proposed registration under the Securities Act of 1933, as amended (the "Securities Act"), of the offer to exchange (a) \$250,000,000 aggregate principal amount of the Company's 6.125% Senior Notes due 2024 and the guarantees of such securities by the Guarantors for a like principal amount of substantially similar notes and guarantees that were issued in a transaction exempt from registration under the Securities Act, and (b) \$1,000,000,000 aggregate principal amount of the Company's 5.750% Senior Notes due 2025 and the guarantees of such securities by the Guarantors for a like principal amount of substantially similar notes and guarantees that were issued in a transaction exempt from registration under the Securities Act.

The Company has informed us that the filing fee in the amount of \$145,250 was wired to the Securities and Exchange Commission's account at U.S. Bank.

Should you have any questions regarding the Registration Statement, please feel free to contact Christopher W. Dickson at (212) 373-3114 or cdickson@paulweiss.com or the undersigned at (212) 373-3309 or rrosso@paulweiss.com.

Very truly yours,

/s/ Raphael M. Russo
Raphael M. Russo

cc: Nathan E. Fagre, Esq.
Nathan.Fagre@Spectrumbrands.com
Spectrum Brands, Inc.

September 21, 2015

VIA EDGAR

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Spectrum Brands, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

Spectrum Brands, Inc. (the “Company”), SB/RH Holdings, LLC and certain of the Company’s subsidiaries (collectively, the “Guarantors,” and, together with the Company, the “Co-Registrants”) have filed a registration statement on Form S-4 (the “Registration Statement”) for the proposed registration under the Securities Act of 1933, as amended (the “Securities Act”), of (i) \$250,000,000 aggregate principal amount of the Company’s 6.125% Senior Notes due 2024 and \$1,000,000,000 aggregate principal amount of the Company’s 5.750% Senior Notes due 2025 (together, the “Exchange Notes”) to be offered in exchange (the “Exchange Offer”) for the Company’s outstanding 6.125% Senior Notes due 2024 and the Company’s outstanding 5.750% Senior Notes due 2025, respectively (together, the “Existing Notes”); and (ii) the guarantees of the Exchange Notes by the Guarantors (the “Guarantees”). The Co-Registrants are registering the Exchange Notes and the Guarantees in reliance upon the position enunciated by the Staff of the Securities and Exchange Commission (the “Staff”) in Exxon Capital Holdings Corporation, SEC No-Action Letter (April 13, 1988), and in Morgan Stanley & Co. Incorporated, SEC No-Action Letter (June 5, 1991).

Each of the Co-Registrants represents that neither it nor any of its affiliates has entered into any arrangement or understanding with any person to distribute the Exchange Notes to be received in the Exchange Offer and, to the best of such Co-Registrants’ information and belief, each person participating in the Exchange Offer will be acquiring the Exchange Notes in its ordinary course of business and will have no arrangement or understanding with any person to participate in the distribution of the Exchange Notes to be received in the Exchange Offer. In this regard, the Co-Registrants will make each person participating in the Exchange Offer aware (through the Exchange Offer prospectus or otherwise) that if such person has any arrangement or understanding with respect to the distribution of the Exchange Notes to be acquired in the Exchange Offer, such person (i) could not rely on the Staff position enunciated in the aforementioned no

action letters and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. The Co-Registrants acknowledge that such a resale transaction by such person participating in the Exchange Offer pursuant to such arrangement or understanding for the purpose of distributing the Exchange Notes should be covered by an effective registration statement containing the selling security holder information required by Item 507 of Regulation S-K promulgated under the Securities Act.

The Co-Registrants will also make each person participating in the Exchange Offer aware (through the Exchange Offer prospectus or otherwise) that it is the position of the Staff that any broker-dealer that holds the Existing Notes for its own account acquired as a result of market-making activities or other trading activities, and that receives the Exchange Notes in exchange for the Existing Notes pursuant to the Exchange Offer, may be a statutory underwriter and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the Exchange Notes and must confirm that it has not entered into any arrangement or understanding with the Co-Registrants or any of their affiliates to distribute the Exchange Notes. Each such broker-dealer must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the Exchange Notes.

Very truly yours,

Spectrum Brands, Inc.
AA Group (U.S.) – A LLC
AA Group (U.S.) – B LLC
AAG IDQ Acquisition Corporation
Applica Mexico Holdings, Inc.
Armored AutoGroup Inc.
Armored AutoGroup Intermediate Inc.
Armored AutoGroup Parent Inc.
Armored AutoGroup Sales Inc.
IDQ Acquisition Corp.
IDQ Holdings, Inc.
IDQ Operating, Inc.
National Manufacturing Mexico A LLC
National Manufacturing Mexico B LLC
National Openings, LLC
ROV Holding, Inc.
ROV International Holdings LLC
Salix Animal Health, LLC
SB/RH Holdings, LLC
Schultz Company
STP Products Manufacturing Company
The Armor All/STP Products Company
United Industries Corporation

By: /s/ Nathan E. Fagre

Name: Nathan E. Fagre

Title: Vice President, Corporate Secretary, Secretary
and/or Assistant Secretary

cc: Raphael M. Russo, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP

[Signature Page to Exxon Capital Letter]