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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): June 12, 2022

Steel Connect, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	001-35319	04-2921333
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2000 Midway Ln Smyrna, Tennessee	37167
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (914) 461-1276

(Former Name or Former Address, If Changed Since Last Report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	STCN	Nasdaq Capital Market
Rights to Purchase Series D Junior Participating Preferred Stock	--	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Merger Agreement

On June 12, 2022, Steel Connect, Inc., a Delaware corporation (the "Company" or "Steel Connect"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), with Steel Partners Holdings L.P., a Delaware limited partnership ("Parent" or "Steel Partners"), and SP Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub" and, together with the Company and Parent, each a "Party" and collectively the "Parties") providing for the merger of Merger Sub with and into the Company (the "Merger"), with the Company surviving the Merger (the "Surviving Corporation") and becoming a wholly owned subsidiary of Parent. Parent, directly and indirectly, exercises voting power over shares of the common stock, par value $0.01 per share, of the Company (the "Company Common Stock") and Series C Preferred Stock, par value $0.01 per share, of the Company (the "Company Series C Preferred Stock") collectively representing approximately 46.1% of the outstanding voting power of the Company.

At the effective time of the Merger, (i) each issued and outstanding share of the Company Common Stock owned by the Company or any of its wholly owned subsidiaries or by Parent or any of its wholly owned subsidiaries (collectively, "Excluded Shares") will automatically be canceled and shall cease to exist, and no consideration shall be paid in respect thereof; and (ii) each issued and outstanding share of Company Common Stock (other than the Excluded Shares and any shares held by dissenting holders) will be converted into the right to (a) receive $1.35 in cash per share, without interest and subject to any withholding taxes (the "Per Share Cash Merger Consideration") and (b) one contingent value right to receive, subject to the terms of the ModusLink CVR Agreement (described below), the ModusLink CVR Payment Amount as provided in the Merger Agreement (such right, a "ModusLink CVR" and, together with the Per Share Cash Merger Consideration, the "Per Share Merger Consideration"); and (iii) each issued and outstanding share of Company Common Stock converted into a right to receive the Per Share Merger Consideration (each, a "Converted Share" and collectively, the "Converted Shares") shall automatically be canceled and shall cease to exist and the holders of certificates which immediately prior to the effective time of the Merger represented the Converted Shares ("Company Certificates") shall cease to have any rights with respect to those shares, other than the right to receive the Per Share Merger Consideration with respect to each such share upon surrender of Company Certificates in accordance with the Merger Agreement.

The board of directors of the Company (the "Company Board"), acting on the unanimous recommendation of the special committee of the Company Board (the "Special Committee"), and the Board of Directors of Steel Partner Holdings GP Inc., a Delaware corporation, and the general partner of the Company ("Steel Partners' General Partner") approved the Merger Agreement and the transactions contemplated by the Merger Agreement (such transactions, collectively, the "Transactions") and resolved to recommend the stockholders adopt the Merger Agreement and approve the Transactions. The Special Committee, which is comprised solely of independent and disinterested directors of the Company who are unaffiliated with Parent, exclusively negotiated the terms of the Merger Agreement with Parent, with the assistance of its independent financial and legal advisors.

The Company Board has adopted resolutions (i) determining that the terms of the Merger Agreement and the Merger and the Transactions are advisable, fair to and in the best interest of the Company and the holders of capital stock of the Company (other than holders of Excluded Shares), and (ii) authorizing, approving and declaring advisable, the Merger Agreement, the form and terms of the Merger Agreement and the Transactions.

Steel Partners' General Partner adopted resolutions (i) determining, in its sole discretion, that the ownership and acquisition of Company Common Stock, the Merger Agreement, the ModusLink CVR Agreement and the Transactions are business activities approved pursuant to Section 2.4 of the Ninth Amended and Restated Agreement of Limited Partnership of Partner, dated as of June 1, 2022 (the "LP Agreement"), and necessary and appropriate to the conduct of the business of Parent pursuant to Section 7.1(a) of the LP Agreement, and (ii) authorizing, approving and adopting the foregoing determinations, the Merger Agreement, the ModusLink CVR Agreement and the Transactions.

Stockholders of the Company will be asked to vote on the adoption of the Merger Agreement at a stockholders meeting to be held on a date to be announced. The affirmative vote of (a) the holders of a majority in voting power of the outstanding shares of the Company Common Stock and the Company Series C Preferred Stock (voting on an as converted to shares of Company Common Stock basis), voting together as a single class, and (b) the holders of a majority of the outstanding shares of the Company Series C Preferred Stock is required to approve and adopt the Merger Agreement and such stockholder approval will also satisfy requirements of the General Corporation Law of the State of Delaware.

The Merger Agreement contains representations, warranties and covenants of the Parties that are customary for transactions of this type. Until the closing of the Merger, the Company and Parent have agreed, subject to certain exceptions, to use its commercially reasonable efforts to conduct their respective businesses in the ordinary course consistent with past practice. The Parties are required to use their respective commercially reasonable efforts to take, or cause to be taken, all actions necessary, proper or advisable under applicable laws to consummate the Transaction.

The Merger Agreement includes a "go-shop" period that expires at 11:59 p.m. Eastern time on July 12, 2022, during which the Company may actively solicit and consider alternative acquisition proposals. There can be no assurances that the "go-shop" process will result in a superior proposal, and the Company does not intend to communicate developments regarding the process unless and until the Company determines that additional disclosure is required or desirable.

The closing of the Merger is subject to certain customary conditions, including the accuracy of the representations and warranties of, and compliance with covenants by, each of the Parties to the Merger Agreement, as well as adopting of the Merger Agreement by holders of a majority of the outstanding shares of Company Common Stock not owned by affiliates of Parent or the Company. There can be no assurance that these closing conditions will be satisfied and that the Parties will be able to consummate the Merger or the Transactions. In addition, the Merger Agreement contains certain termination rights that are customary for a transaction of this type, including, for example, if the Merger has not been consummated by December 9, 2022 (the "Outside Date"), subject to certain limitations. The Merger Agreement further provides that upon the termination of the Merger Agreement under certain circumstances, the Company shall pay, or cause to be paid, to Parent a termination fee equal to $1,500,000 and to reimburse the expenses of Parent up to $1,000,000. The closing of the Merger is not subject to a financing condition, and is expected to occur in the second half of 2022.

Voting and Support Agreement

In connection with the Merger Agreement, the Company, Parent, Handy & Harman Ltd., a Delaware corporation ("Handy"), WHX CS Corp., a Delaware corporation ("WHX"), Steel Partners, Ltd., a Delaware corporation ("SPL"), SPH Group LLC, a Delaware limited liability company ("SPH"), SPH Group Holdings LLC, a Delaware limited liability company ("SPH Holdings"), Steel Partners Holdings GP Inc., a Delaware corporation ("GP"), Steel Excel Inc., a Delaware corporation ("SXL"), Warren G. Lichtenstein, an individual ("Lichtenstein"), and Jack L. Howard, an individual ("Howard", and together with Handy, WHX, SPL, SPH, SPH Holdings, GP, SXL and Lichtenstein, the "Stockholders" and each a "Stockholder") entered into a Voting and Support Agreement, dated as of June 12, 2022 (the "Support Agreement"). Per the terms and conditions set forth in the Support Agreement, each Stockholder has agreed to vote, or cause to be voted, all shares of Company Common Stock and Company Preferred Stock beneficially owned by each such Stockholder (representing an aggregate of approximately 49.8% of the Company's total outstanding voting power as of June 12, 2022) for the adoption of the Merger Agreement and any alternative acquisition agreement approved by the Company Board (acting on the recommendation of the Special Committee).

Contingent Value Rights Agreement

In connection with the closing of the Merger, the Company, Parent, and a rights agent to be determined thereunder ("Rights Agent") and a shareholder representative to be determined thereunder, in its capacity as the Shareholder Representative, will enter into a Contingent Value Rights Agreement (the "ModusLink CVR Agreement"), substantially in the form attached to the Merger Agreement. In accordance with the ModusLink CVR Agreement, holders of Company Common Stock issued and outstanding immediately prior to the effective time of the Merger (other than Excluded Shares and shares held by dissenting holders) will receive in respect of each such share one ModusLink CVR with the right to receive the a pro rata share of net proceeds, to the extent such net proceeds exceed $80 million plus certain related costs and expenses, if Steel Connect's ModusLink subsidiary is sold during the two-year period following completion of the Merger.

The ModusLink CVRs represent a contractual right only and will not be transferable except in the limited circumstances specified in the ModusLink CVR Agreement. The ModusLink CVRs will not be evidenced by certificates or any other instruments and will not be registered with the Securities and Exchange Commission (the "SEC"). The ModusLink CVRs do not have any voting or dividend rights, and interest shall not accrue on any amounts payable on the ModusLink CVRs to any holder. In addition, the ModusLink CVRs shall not represent any equity or ownership interest in Parent, the Company or any of their affiliates, or in any constituent company to the Merger.

The foregoing descriptions of the Merger Agreement, the Support Agreement and the ModusLink CVR Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Merger Agreement, which is attached to this Current Report on Form 8-K (this "Form 8-K") as Exhibit 2.1, the Support Agreement, which is attached to this Form 8-K as Exhibit 10.1, and the ModusLink CVR Agreement, which is attached to this Form 8-K as Exhibit 10.2, respectively, and are incorporated herein by reference. The Merger Agreement and the Support Agreement have been attached to provide investors with information regarding its terms. The terms and information therein should not be relied on as disclosure about the Company without consideration of the reports that the Company files with the SEC. The terms of the Merger Agreement, the Support Agreement and the ModusLink CVR Agreement (which will be executed at the time of the Merger) govern the contractual rights and relationships, and allocate risks, among the parties thereto in relation to the Merger. In particular, the representations and warranties made by the Parties to each other in the Merger Agreement have been negotiated among the Parties with the principal purpose of setting forth their respective rights with respect to their obligation to close the Merger should events or circumstances change or be different from those stated in the representations and warranties. Matters may change from the state of affairs contemplated by the representations and warranties. The Company does not undertake any obligation to release publicly any revisions to these representations and warranties, except as required under U.S. federal or other applicable securities laws.

Item 7.01 Regulation FD Disclosure.

The joint press release of Parent and the Company, dated June 13, 2022, announcing entry into the Merger Agreement is attached hereto as Exhibit 99.1.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of the proposed acquisition of Steel Connect by Steel Partners and their respective affiliates. In connection with the proposed merger, Steel Connect will file with the SEC and furnish to Steel Connect's stockholders a proxy statement and other relevant documents. This communication does not constitute a solicitation of any vote or approval. BEFORE MAKING ANY VOTING DECISION, STEEL CONNECT'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.

Investors will be able to obtain a free copy of the proxy statement, when available, and other relevant documents filed by Steel Connect with the SEC at the SEC's website at www.sec.gov. In addition, investors may obtain a free copy of the proxy statement, when available, and other relevant documents from Steel Connect's website at www.steelconnectinc.com or by directing a request to Steel Connect, Inc., Attn: Chief Financial Officer, 2000 Midway Lane, Smyrna, Tennessee 37167 or by calling (914) 461-1276.

Participants in the Solicitation

Steel Connect and its directors, executive officers and certain other members of management and employees of Steel Connect may be deemed to be "participants" in the solicitation of proxies from the stockholders of Steel Connect in connection with the proposed merger. Information regarding the interests of the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of Steel Connect in connection with the proposed merger, which may be different than those of Steel Connect's stockholders generally, will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. Stockholders can find information about Steel Connect and its directors and executive officers and their ownership of Steel Connect's Common Stock in Steel Connect's Annual Report on Form 10-K, filed with the SEC on October 29, 2021, and amended on November 30, 2021, and additional information about the ownership of Steel Connect's Common Stock by Steel Connect's directors and executive officers is included in their Forms 3, 4 and 5 filed with the SEC.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
2.1*	Agreement and Plan of Merger, dated as of June 12, 2022, by and among Steel Connect, Inc., Steel Partners Holdings L.P. and SP Merger Sub, Inc.
10.1	Voting and Support Agreement, dated as of June 12, 2022, by and among Steel Connect, Inc., Steel Partners Holdings L.P., Handy & Harman Ltd., WHX CS Corp., Steel Partners, Ltd., SPH Group LLC, SPH Group Holdings LLC, Steel Partners Holdings GP Inc., Steel Excel Inc., Warren G. Lichtenstein and Jack L. Howard.
10.2	Form of Contingent Value Rights Agreement
99.1	Joint Press Release, dated June 13, 2022 (furnished herewith).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Schedules have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. Steel Connect, Inc. agrees to furnish supplementally a copy of any omitted schedule to the SEC upon its request; provided, however, that Steel Connect, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934 for any schedule so furnished.

SIGNATURE

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

Steel Connect, Inc**.**

Date: June 13, 2022

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

by and among

STEEL PARTNERS HOLDINGS L.P.,

SP MERGER SUB, INC.

and

STEEL CONNECT, INC.

Dated as of June 12, 2022

TABLE OF CONTENTS

INDEX OF DEFINED TERMS

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of June 12, 2022 (as amended, this "Agreement"), by and among Steel Partners Holdings L.P., a Delaware limited partnership ("Parent"), SP Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), and Steel Connect, Inc., a Delaware corporation (the "Company" and collectively with Parent and Merger Sub, the "Parties" and each, a "Party").

RECITALS

(a) Parent, directly and indirectly, exercises voting power over shares of the common stock, par value $0.01 per share, of the Company (the "Company Common Stock"), that, together with the Company Series C Preferred Stock (as defined below) over which Parent, directly or indirectly, exercises voting power, represents approximately 46.1% of the outstanding voting power of the Company.

(b) The Parties desire to effect the merger of Merger Sub with and into the Company (the "Merger"), with the Company surviving the Merger as the surviving corporation, in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), pursuant to which each share of Company Common Stock (other than Excluded Shares and Dissenting Shares (each as defined below)) shall be converted into the right to receive the Per Share Merger Consideration (as defined below), upon the terms and subject to the conditions set forth herein.

(c) The board of directors of the Company (the "Company Board") has established a special committee consisting solely of independent and disinterested directors of the Company (the "Special Committee"), which Special Committee has been delegated the full and exclusive power and authority of the Company Board to, among other things, review, evaluate, consider and negotiate the Merger and the other transactions contemplated by this Agreement (collectively, the "Transactions") and make a recommendation to the Company Board with respect thereto.

(d) The Special Committee has unanimously (i) determined that the terms of this Agreement and the Transactions are fair to and in the best interests of the Company and the holders of capital stock of the Company (other than the holders of Excluded Shares (as defined below)), (ii) recommended to the Company Board that the Company Board adopt resolutions approving, adopting and declaring advisable this Agreement and the Transactions and (iii) recommended to the Company Board that the Company Board recommend that the holders of capital stock of the Company entitled to vote, vote for the adoption of this Agreement (such recommendation, the "Special Committee Recommendation").

(e) The Company Board, based on the Special Committee Recommendation, has (i) determined that the terms of this Agreement and the Transactions are fair to and in the best interests of the Company and the holders of capital stock of the Company (other than the holders of Excluded Shares), (ii) approved and declared advisable this Agreement and the Transactions and (iii) recommended that the holders of capital stock of the Company entitled to vote, vote for the adoption of this Agreement (such recommendation, the "Company Board Recommendation").

(f) The board of directors of Merger Sub has unanimously (i) determined that the terms of this Agreement and the Transactions are fair to and in the best interests of Merger Sub and its sole stockholder, and declared it advisable, to enter into this Agreement, (ii) approved and declared advisable this Agreement and the Transactions, and (iii) recommended that this Agreement be adopted by sole stockholder of Merger Sub.

(g) The General Partner (as defined in the Parent LPA (as defined below)) has determined, in its sole discretion (as defined in the Parent LPA), that this Agreement and the Transactions are necessary and appropriate to the conduct of the business of Parent in compliance with the Ninth Amended and Restated Agreement of Limited Partnership of Parent dated as of June 1, 2022 (the "Parent LPA").

(h) Concurrently with, and as a condition to, the consummation of the Merger, Parent, Merger Sub, the Company, the shareholder representative to be determined thereunder and the rights agent to be determined thereunder (the "Rights Agent"), shall enter into a Contingent Value Rights Agreement with respect to the direct or indirect sale, transfer or other disposition (including by means of a merger or other business combination transaction) of all or any portion of the ModusLink Assets to one or more buyers in a single transaction or in a series of transactions within twenty four (24) months of the Closing Date for an aggregate purchase price that exceeds $80,000,000 plus certain related costs and expenses, substantially in the form attached hereto as Exhibit A (subject to changes to reflect the reasonable requests of the Rights Agent) (the "ModusLink CVR Agreement").

(i) Concurrently with the execution of this Agreement, and as a condition and inducement to the willingness of the Company to enter into this Agreement, each of Handy & Harman Ltd., WHX CS Corp., Steel Partners, Ltd., SPH Group LLC, SPH Group Holdings LLC, Steel Partners Holdings GP Inc., Steel Excel Inc., Warren G. Lichtenstein and Jack L. Howard is entering into a voting agreement with Parent and the Company pursuant to which, among other things, such Person has agreed, on the terms and subject to the conditions set forth therein, to vote or cause to be voted all shares of Company Common Stock and Company Series C Preferred Stock beneficially owned by such Person for the adoption of this Agreement and an Alternative Acquisition Agreement approved by the Company Board (acting on the recommendation of the Special Committee) or the Special Committee in accordance with the provision of Section 5.4(d)(ii).

(j) For federal income tax purposes, it is intended that the Merger be treated as a redemption of the stock not held by Parent and its wholly-owned Subsidiaries, and for the avoidance of doubt will be taxable in the hands of the recipients of cash.

(j) Certain capitalized terms used in this Agreement have the meanings specified in Section 8.1.

Accordingly, in consideration of the mutual representations, warranties, covenants and agreements contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
MERGER

Section 1.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with applicable provisions of the DGCL, at the Effective Time, Merger Sub shall be merged with and into the Company, the separate corporate existence of Merger Sub shall cease and the Company shall continue its corporate existence under the DGCL as the surviving corporation in the Merger (the "Surviving Corporation"), and become a wholly-owned subsidiary of Parent.

Section 1.2 Closing. Subject to the satisfaction or waiver of all of the conditions to closing contained in Article VI, the closing of the Merger (the "Closing") shall take place (a) at the offices of Greenberg Traurig, LLP, One Vanderbilt Avenue, New York, NY 10017, at 9:00 a.m., no later than the (3rd) third Business Day after the day on which the last of those conditions (other than any conditions that by their nature are to be satisfied at the Closing) is satisfied or, to the fullest extent permitted by applicable Laws, waived in accordance with this Agreement, or (b) at such other place and time or on such other date as Parent and the Company may agree in writing (the date on which the Closing occurs is referred to in this Agreement as the "Closing Date").

Section 1.3 Effective Time. Upon the terms and subject to the conditions set forth in this Agreement, as soon as practicable on the Closing Date, (a) the Company shall cause a certificate of merger (the "Certificate of Merger") to be duly executed, signed, acknowledged and filed with the Secretary of State of the State of Delaware as provided in Section 251 of the DGCL and (b) Parent and the Company shall cause all other filings, recordings or publications required by the DGCL in connection with the Merger to be duly executed, signed, acknowledged and filed. The Merger shall become effective when the Certificate of Merger has been duly filed with the Secretary of State of the State of Delaware or at such other subsequent date or time as Parent and the Company may agree and specify in the Certificate of Merger in accordance with the DGCL (the "Effective Time").

Section 1.4 Effects of the Merger. The Merger shall have the effects set forth in Section 259 of the DGCL.

Section 1.5 Certificate of Incorporation. The certificate of incorporation of the Company as in effect immediately prior to the Effective Time shall, from and after the Effective Time, be the certificate of incorporation of the Surviving Corporation (the "Surviving Charter") until thereafter amended in accordance with the Surviving Charter or by applicable Laws.

Section 1.6 Bylaws. The Company shall take all lawful action so that the bylaws of the Company in effect immediately prior to the Effective Time shall be, from and after the Effective Time, the bylaws of the Surviving Corporation (the "Surviving Bylaws") until thereafter amended in accordance with the Surviving Charter, Surviving Bylaws or by applicable Laws.

Section 1.7 Directors. The Company shall take all lawful action so that the directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors are duly elected and qualified or until their earlier death, resignation or removal in accordance with the Surviving Charter, the Surviving Bylaws and the DGCL.

Section 1.8 Officers. The Company shall take all lawful action so that the officers of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Charter, the Surviving Bylaws and the DGCL.

ARTICLE II
EFFECT OF THE MERGER

Section 2.1 Conversion of Capital Stock. At the Effective Time, by virtue of the Merger, and without any action on the part of the Parties or the holders of any capital stock of Merger Sub or the Company:

(a) Conversion of Merger Sub Capital Stock. Each share of common stock, par value $0.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall automatically be converted into and become one (1) validly issued, fully paid and non-assessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

(b) Cancellation of Treasury Stock and Parent and Wholly-Owned Subsidiaries Stock. Each share of Company Common Stock owned by the Company or any of its wholly-owned Subsidiaries or by Parent or any of its wholly-owned Subsidiaries issued and outstanding immediately prior to the Effective Time (collectively, "Excluded Shares") shall be automatically canceled and shall cease to exist, and no consideration shall be paid in respect thereof.

(c) Conversion of Company Common Stock.

(i) Each Eligible Share (other than Dissenting Shares) shall be converted into the right to receive (A) $1.35 in cash, without interest (the "Per Share Cash Merger Consideration") and (B) one contingent value right to receive, subject to the terms of the ModusLink CVR Agreement, the ModusLink CVR Payment Amount (such right, a "ModusLink CVR"). For purposes of this Agreement, the term "Per Share Merger Consideration" shall mean the Per Share Cash Merger Consideration together with the ModusLink CVR, if applicable.

(ii) Each Eligible Share converted into the right to receive the Per Share Merger Consideration as provided in Section 2.1(c)(i) (each, a "Converted Share" and collectively, the "Converted Shares") shall automatically be canceled and shall cease to exist and (B) the holders of certificates which immediately prior to the Effective Time represented Converted Shares ("Company Certificates") shall cease to have any rights with respect to those shares, other than the right to receive the Per Share Merger Consideration with respect to each such share as provided in Section 2.1(c)(i) upon surrender of Company Certificates in accordance with Section 2.2(b).

(d) Treatment of Restricted Shares of Company Common Stock. Each Company Restricted Share that is outstanding immediately before the Effective Time, by virtue of the Merger and without any action by Parent, Merger Sub, the Company or the holder of that Company Restricted Share, shall be vested and all restrictions thereon shall lapse in full as of immediately before the Effective Time, and each such Company Restricted Share shall be canceled and converted into the right to receive the Per Share Merger Consideration.

(e) Treatment of Company Series C Preferred Stock. Each share of Company Series C Preferred Stock issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding.

(f) Treatment of Company Convertible Note. The Company's 7.50% Convertible Senior Note due March 1, 2024 issued by the Company to SPH Group Holdings LLC (the "Company Convertible Note"), as in effect immediately prior to the Effective Time, shall remain in effect.

Section 2.2 Surrender of Company Certificates.

(a) Payment Agent. Promptly following the Effective Time, Parent shall deposit or cause to be deposited with a bank or trust company designated by Parent and reasonably acceptable to the Company to act as paying agent (the "Payment Agent"), for the benefit of holders of Eligible Shares, cash in an aggregate amount payable under Section 2.1(c)(i). Such aggregate cash amount is referred to in this Agreement as the "Payment Fund." Until disbursed in accordance with the terms and conditions of this Agreement, the Payment Agent shall invest the Payment Fund as directed by Parent (on behalf of the Surviving Corporation) in short-term obligations of the United States of America with maturities of no more than ninety (90) days or guaranteed by the United States of America and backed by the full faith and credit of the United States of America or in commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Service, Inc. or Standard & Poor's, respectively, or in certificates of deposit, bank repurchase agreements or bankers' acceptances of commercial banks with capital exceeding $1,000,000,000 (based on the most recent financial statements of such bank that are then publicly available); *provided*, *however*, that no such investment shall relieve the Payment Agent from making the payments required by Section 2.1(c)(i) and, following any losses from such investment causing the Payment Fund to be less than the aggregate amount then payable under Section 2.1(c)(i), Parent shall promptly deposit or cause to be deposited such amount of cash as may be required to permit the Payment Agent to make the payments required by Section 2.1(c)(i). Any net profit resulting from, or income produced, by such investments shall inure to the benefit of and be the sole and exclusive property of and paid to the Surviving Corporation.

(b) Procedures.

(i) Letter of Transmittal. Promptly, and in any event within five (5) Business Days after the Effective Time, Parent shall, and shall cause the Surviving Corporation to, cause the Payment Agent to mail to each holder of record of Eligible Shares that are (x) represented by Company Certificates or (y) Book-Entry Shares (A) a letter of transmittal in customary form, specifying that delivery shall be effected, and risk of loss and title to the Company Certificates or such Book-Entry Shares shall pass, only upon proper delivery of Company Certificates (or affidavits of loss in lieu of the Company Certificates, as provided in Section 2.2(f)) or the surrender of such Book-Entry Shares to the Payment Agent and (B) instructions for surrendering the Company Certificates (or affidavits of loss in lieu of the Company Certificates, as provided in Section 2.2(f)) or such Book-Entry Shares to the Payment Agent.

(ii) Surrender of Company Certificates. Upon surrender of Eligible Shares that (A) are represented by Company Certificates, by physical surrender of such Company Certificates (or affidavits of loss in lieu of the Company Certificates, as provided in Section 2.2(f)), together with the letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be reasonably required by the Payment Agent in accordance with the terms of the materials and instructions provided by the Payment Agent or (B) are Book-Entry Shares, by receipt of an "agent's message" by the Payment Agent in connection with the surrender of Book-Entry Shares (or such other reasonable evidence, if any, of surrender with respect to such Book-Entry Shares, as the Payment Agent may reasonably request), the holder of such Eligible Shares represented by such Company Certificate or such Book-Entry Share shall be entitled to receive in exchange therefor the Per Share Merger Consideration payable in respect of each Converted Share represented by such Company Certificate or Book-Entry Share, as provided in Section 2.1(c)(i), less any required withholding of Taxes. Any Company Certificates or Book-Entry Shares so surrendered shall immediately be canceled. No interest shall accrue or be paid on any amount payable upon due surrender of Company Certificates or Book-Entry Shares. Notwithstanding anything herein to the contrary, with respect to the ModusLink CVRs, the payment of any ModusLink CVR Payment Amount and the exchange procedures with respect thereto shall be governed by the terms of the ModusLink CVR Agreement.

(iii) Unregistered Transferees. If any Per Share Merger Consideration is to be paid to any Person other than that in which a Converted Share represented by the surrendered Company Certificate is registered, the Per Share Merger Consideration may be paid to such a transferee if the Company Certificate representing such Converted Share is surrendered to the Payment Agent and is accompanied by all documents required to evidence and effect that transfer and the Person requesting such exchange shall have (A) paid any applicable transfer Taxes or (B) established to the satisfaction of Parent and the Payment Agent that those Taxes have been paid or are not applicable. Payment of the Per Share Merger Consideration with respect to Book-Entry Shares shall only be made to the Person in whose name such Book-Entry Shares are registered in the stock transfer books or ledger of the Company.

(iv) No Other Rights. Until surrendered in accordance with this Section 2.2(b), each Converted Share represented by a Company Certificate Book-Entry Share shall be deemed, from and after the Effective Time, to represent only the right to receive the Per Share Merger Consideration. The Per Share Merger Consideration issued or paid with respect to each Converted Share upon the surrender of any Company Certificate or acceptable evidence of a Book-Entry Share formerly representing any Eligible Share shall be deemed to have been issued or paid in full satisfaction of all rights pertaining to that Company Certificate and any Converted Shares represented by that Company Certificate.

(c) No Further Transfers. At the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time.

(d) Termination of Payment Fund. Upon the request of Parent, any portion of the Payment Fund that remains unclaimed by the holders of Company Certificates twelve (12) months after the Effective Time shall be delivered by the Payment Agent to Parent or the Surviving Corporation, as determined by Parent. Any holder of Eligible Shares who has not complied with this Article II by such time shall thereafter look only to Parent or the Surviving Corporation, as applicable, for payment of the Per Share Merger Consideration with respect to each Eligible Share.

(e) No Liability. None of Parent, Merger Sub, the Surviving Corporation or the Payment Agent shall, to the fullest extent permitted by applicable Laws, be liable to any holder of Company Certificates or Book-Entry Shares for any Per Share Merger Consideration properly delivered to a public official under applicable abandoned property, escheat or similar Laws. If any Company Certificates or Book-Entry Shares have not been surrendered prior to five (5) years after the Effective Time (or immediately prior to such earlier date on which any Per Share Merger Consideration in respect of the Converted Shares represented by those Company Certificates or Book-Entry Shares would otherwise escheat to or become the property of any Governmental Entity), any Per Share Merger Consideration payable in respect of a Converted Share represented by those Company Certificates or Book-Entry Shares shall, to the fullest extent permitted by applicable Laws, become the property of the Parent, free and clear of all claims or interests of any Person previously entitled to that Per Share Merger Consideration.

(f) Lost, Stolen or Destroyed Certificates. In the event that any Company Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit (in a form and in substance as reasonably acceptable to Parent) of that fact by the Person claiming such Company Certificate to be lost, stolen or destroyed and the posting by such Person of a bond (in the form reasonably required by Parent) sufficient to indemnify Parent against any claim that may be made against Parent or the Surviving Corporation on account of the alleged loss, theft or destruction of any such Company Certificate, the Payment Agent shall deliver the Per Share Merger Consideration in exchange for each Converted Share represented by such lost, stolen or destroyed Company Certificate.

Section 2.3 Withholding Rights. Each of Parent and the Surviving Corporation shall, to the fullest extent permitted by applicable Laws, be entitled to deduct and withhold from the Per Share Merger Consideration payable to any Person such amounts as it is required to deduct and withhold from such payment under any applicable Laws. If the Payment Agent, Parent or the Surviving Corporation, as the case may be, deducts or withholds any such amounts, such amounts shall be treated for all purposes as having been paid to the Person in respect of whom the Payment Agent, Parent or the Surviving Corporation, as the case maybe, made such deduction and withholding.

Section 2.4 Appraisal Rights. None of the shares of Company Common Stock issued and outstanding immediately prior to the Effective Time, the holder of which has neither voted in favor of the Merger or consented thereto in writing pursuant to Section 228 of the DGCL and who has demanded such holder's right to appraisal in accordance with Section 262 of the DGCL (such shares, the "Dissenting Shares" and each, a "Dissenting Share"), and who has not effectively withdrawn or lost such holder's rights to appraisal, shall be converted into the right to receive the Per Share Merger Consideration. At the Effective Time, all Dissenting Shares shall be canceled and shall cease to exist and shall represent the right to receive only those rights provided under the DGCL. If, after the Effective Time, any holder of a Dissenting Share withdraws, loses or fails to perfect such holder's rights to appraisal, such Dissenting Share shall be treated as if it had been converted, as of the Effective Time, into the Per Share Merger Consideration. The holders of Dissenting Shares shall be entitled only to those rights granted under Section 262 of the DGCL. The Company shall promptly notify Parent upon receipt of any written demands for appraisal under Section 262 of the DGCL and any withdrawals of such demands and Parent shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not, except with the prior written consent of Parent, make any payment with respect to, or settle or offer to settle, any such demands.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth (i) in the Company SEC Reports publicly filed at least one Business Day prior to the date of this Agreement (including any exhibits or schedules to the Company SEC Reports and any documents incorporated by reference therein but excluding any disclosures set forth under the captions "Risk Factors" and "Forward-Looking Statements" to the extent they are general in nature, or are cautionary, predictive or forward-looking in nature) or (ii) in the disclosure letter, dated as of the date of this Agreement, delivered by the Company to Parent (the "Company Disclosure Letter") (it being agreed that disclosure of any item in any section of the Company Disclosure Letter shall be deemed disclosed with respect to any other section or subsection of this Agreement and the Company Disclosure Letter to the extent that the relevance thereof is reasonably apparent on its face), the Company hereby represents and warrants to Parent and Merger Sub as follows:

Section 3.1 Organization and Power. Each of the Company and its Subsidiaries is a corporation, limited liability company or other legal entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization. Each of the Company and its Subsidiaries has the requisite power and authority to own, lease and operate its assets and properties and to carry on its business as now conducted.

Section 3.2 Foreign Qualifications. Each of the Company and its Subsidiaries is duly qualified or licensed to do business as a foreign corporation, limited liability company or other legal entity, and is in good standing, in each jurisdiction where the character of the assets and properties owned, leased or operated by it or the nature of its business makes such qualification or license necessary, except where failures to be so qualified or licensed or in good standing would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.3 Corporate Authorization. The Company has all necessary corporate power and authority to enter into this Agreement and, subject to adoption of this Agreement by the affirmative vote of (a) the holders of a majority in voting power of the outstanding shares of Company Common Stock and Company Series C Preferred Stock (voting on an as converted to shares of Company Common Stock basis), voting together as a single class (the "Common Stockholder Approval"), and (b) the holders of a majority of the outstanding shares of Company Series C Preferred Stock (the "Preferred Stockholder Approval"), to consummate the Transactions. The Special Committee has unanimously duly adopted resolutions (i) determining that the terms of this Agreement and the Transactions are fair to and in the best interests of the Company and the holders of capital stock of the Company (other than the holders of Excluded Shares), (ii) recommended to the Company Board that the Company Board adopt resolutions approving, adopting and declaring advisable this Agreement and the Transactions and (iii) providing for the Special Committee Recommendation. The Company Board has duly adopted resolutions (i) determining that the terms of this Agreement and the Transactions are fair to and in the best interests of the Company and the holders of capital stock of the Company (other than the holders of Excluded Shares), (ii) approving and declaring advisable this Agreement and the Transactions and (iii) providing for the Company Board Recommendation. The execution and delivery of this Agreement by the Company and the consummation by the Company of the Transactions have been duly and validly authorized by all necessary corporate action on the part of the Company, subject to the obtainment of the Requisite Company Vote.

Section 3.4 Enforceability. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar Laws of general applicability affecting creditors rights and general principles of equity (the "Bankruptcy and Equity Exceptions").

Section 3.5 Organizational Documents. The Company has made available to Parent true, correct and complete copies of the certificates of incorporation and bylaws (or the equivalent organizational documents) of the Company and each of its Subsidiaries, in each case, as in effect on the date of this Agreement (collectively, the "Company Organizational Documents").

Section 3.6 Governmental Authorizations. Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the Transactions do not and will not require any consent, approval or similar authorization of, or filing with or notification to, any domestic or foreign international, national, federal, state, provincial or local governmental, regulatory or administrative authority, agency, commission, court, tribunal, arbitral body or self-regulated entity, including the European Union and the European Community (each, a "Governmental Entity"), other than:

(a) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware;

(b) the filing with the United States Securities and Exchange Commission (the "SEC") of (i) a proxy statement (as amended or supplemented, the "Company Proxy Statement") relating to the meeting of the stockholders of the Company to be held to consider, among other items, adoption of this Agreement (the "Company Stockholders Meeting"), (ii) any reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that may be required in connection with this Agreement and the Transactions and (iii) any filings under the Securities Act of 1933, as amended (the "Securities Act");

(c) compliance with the rules and regulations of the Nasdaq Capital Market ("Nasdaq"); and

(d) compliance with the so-called "fair price," "moratorium," "control share acquisition" or other similar state anti-takeover Laws ("Takeover Statutes") set forth in Section 3.6(d) of the Company Disclosure Letter.

Section 3.7 Non-Contravention. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the Transactions do not and will not:

(a) assuming the Requisite Company Vote is obtained, contravene or conflict with, or result in any violation of or breach of, any provision of the Company Organizational Documents;

(b) contravene or conflict with, or result in any violation or breach of, any Laws or Orders applicable to the Company or any of its Subsidiaries or by which any assets of the Company or any of its Subsidiaries (collectively, "Company Assets") are bound, assuming that all consents, approvals, authorizations, filings and notifications described in Section 3.6 have been obtained or made and assuming the Requisite Company Vote is obtained;

(c) result in any violation or breach of, or constitute a default (with or without notice or lapse of time or both) under, any Company Contracts, other than as set forth in Section 3.7(c) of the Company Disclosure Letter or as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect;

(d) require any consent, approval or other authorization of, or any filing with or notification to, any Person under any Company Contracts, other than as set forth in Section 3.7(d) of the Company Disclosure Letter or as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect; or

(e) give rise to any termination, cancellation, amendment or acceleration of any rights or obligations under any Company Contracts, other than as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.8 Capitalization.

(a) The authorized capital stock of the Company consists solely of (i) One Billion Four Hundred Five Million (1,405,000,000) shares of Company Common Stock and (ii) Five Million (5,000,000) shares of preferred stock, par value $0.01 per share, of which (A) One Hundred Forty Thousand (140,000) have been designated as Company Series A Junior Participating Preferred Stock and (B) Thirty-Five Thousand (35,000) have been designated as Company Series C Preferred Stock and One Million Four Hundred Thousand (1,400,000) have been designated as Company Series D Junior Participating Preferred Stock.

(b) Pursuant to the Certificate of Designation of Series D Junior Participating Preferred Stock filed with the Secretary of State of the State of Delaware on January 19, 2018, the Company Board created the Company Series D Junior Participating Preferred Stock, which were issuable in connection with the Tax Benefits Preservation Plan, dated as of January 19, 2018, by and between ModusLink Global Solutions, Inc. and American Stock Transfer & Trust Company, LLC, as rights agent, as amended as of January 8, 2021 (the "Company Rights Agreement").

(c) As of the close of business on June 10, 2022, (i) 60,398,784 shares of Company Common Stock were issued and outstanding, (ii) no shares of Company Common Stock were held in treasury by the Company and its Subsidiaries, (iii) 482,026 shares of Company Common Stock were reserved for issuance upon vesting of a restricted stock grant, (iv) no shares of Company Series A Junior Participating Preferred Stock were issued and outstanding, (v) no shares of Company Series D Junior Participating Preferred Stock were issued and outstanding, and no shares of Company Series D Junior Participating Preferred Stock were reserved for issuance pursuant to the Company Rights Agreement, (vi) 35,000 shares of Company Series C Preferred Stock were issued and outstanding and 17,857,143 shares of Company Common Stock were reserved for issuance upon conversion of such shares of Company Series C Preferred Stock, and (vii) 6,293,707 shares of Company Common Stock were reserved for issuance upon conversion of the Company Convertible Note.

(d) Except as set forth above, as of the close of business on June 10, 2022, no shares of capital stock of the Company were issued, reserved for issuance or outstanding. Since such date, no shares of capital stock of the Company, or securities convertible or exchangeable into or exercisable for shares of capital stock of the Company, have been issued.

(e) All shares of Company Common Stock that are subject to issuance prior to the Effective Time on the terms and conditions specified in the instruments under which they are issuable, (i) will be duly authorized, validly issued, fully paid and non-assessable and (ii) will not be subject to subscription or preemptive rights.

(f) There are no outstanding contractual obligations of the Company or any of its Subsidiaries (i) to repurchase, redeem or otherwise acquire any shares of Company Common Stock or Company Series C Preferred Stock or any capital stock of any Subsidiary of the Company or (ii) to provide funds to or make any investment in (A) any Subsidiary of the Company that is not wholly-owned by the Company or (B) any other Person.

(g) Each outstanding share of capital stock of the Company is duly authorized, validly issued, fully paid and non-assessable, and not subject to subscription or preemptive rights. Each outstanding share of capital stock, limited liability company or membership interest, partnership interest or other equity interest of each Subsidiary of the Company is duly authorized, validly issued and, to the extent relevant under applicable Laws, fully paid and non-assessable, and not subject to subscription or preemptive rights and each such share or other equity interest owned by the Company or any of its Subsidiaries is free and clear of all Liens, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.9 No Stock Options. Except for (i) the aggregate of up to 17,857,143 shares of Company Common Stock issuable upon conversion of shares of Company Series C Preferred Stock, (ii) shares of Company Series D Junior Participating Preferred Stock issuable pursuant to the Company Rights Agreement, (iii) the aggregate of up to 6,293,707shares of Company Common Stock issuable upon conversion of the Convertible Note, and (iv) 482,026 shares of Company Common Stock reserved for issuance upon vesting of restricted stock grants, there are no options, warrants, calls, conversion rights, stock appreciation rights, subscription rights, redemption rights, repurchase rights or other rights, agreements, arrangements, understandings or commitments to which the Company or any of its Subsidiaries is a party relating to the issued or unissued capital stock or other securities, limited liability company or membership interest, partnership interest or other equity interest of the Company or any of its Subsidiaries or obligating the Company or any of its Subsidiaries to issue, transfer, register, redeem, repurchase, acquire or sell any shares of capital stock or other securities, limited liability company or membership interest, partnership interest or other equity interest the Company or any of its Subsidiaries.

Section 3.10 Voting. The Requisite Company Vote is the only vote of the holders of any class or series of capital stock of the Company or any class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of any of its Subsidiaries necessary (under the Company Organizational Documents, the DGCL, other applicable Laws or otherwise) to approve or adopt this Agreement, the Merger or the Transactions. There are no voting trusts, proxies or similar agreements or understandings to which the Company or any of its Subsidiaries is a party with respect to the voting of any shares of capital stock of the Company or any class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of any of its Subsidiaries. There are no bonds, debentures, notes or other indebtedness of the Company or any of its Subsidiaries that have the right to vote, or that are convertible or exchangeable into or exercisable for securities having the right to vote, on any matters on which stockholders of the Company may vote.

Section 3.11 SEC Reports. Since January 1, 2021 (the "Applicable Date"), the Company has timely filed with or furnished, as applicable, to the SEC all forms, reports, schedules, certifications, statements and other documents required to be publicly filed with or furnished to the SEC pursuant to the Exchange Act or the Securities Act (collectively, the "Company SEC Reports"). Each of the Company SEC Reports (a) was prepared in accordance with the requirements of the Securities Act, the Exchange Act or the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), including the rules and regulations promulgated thereunder, and (b) did not, at the time they were filed with or furnished to the SEC (or, in the case of any registration statement or proxy statement, on the applicable date of effectiveness or the date of the relevant meeting, respectively, and, if amended or supplemented, on the date of such amendment or supplement), contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which such statements were made, not misleading. No Subsidiary of the Company is subject to the periodic reporting requirements of the Exchange Act or is otherwise required file with or furnish to the SEC, any foreign Governmental Entity that performs a similar function to that of the SEC or any securities exchange or quotation service, any forms, reports, schedules, certifications, statements and other documents. No executive officer of the Company has failed to make the certifications required of such executive officer under Sections 302 or 906 of the Sarbanes-Oxley Act with respect to the Company SEC Reports.

Section 3.12 SEC Disclosure Controls and Procedures.

(a) The Company (with respect to itself and its consolidated Subsidiaries) has established and maintains proper disclosure controls and procedures and internal controls over financial reporting (as such terms are defined in Rule 13a-15 and 152-15 under the Exchange Act) as required by Rule 13a-15 or Rule 15d-15 under the Exchange Act. The Company's disclosure controls and procedures are reasonably designed to ensure that all material information relating to the Company (with respect to itself and its consolidated Subsidiaries) required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is accumulated and communicated to the Company's principal executive officer, its principal financial officer or those individuals responsible for the preparation of the consolidated financial statements of the Company included in the Company SEC Reports allow timely decisions regarding required disclosure and to make the certifications required by Rule 13a-14 or Rule 15d-14 under the Exchange Act and pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act.

(b) The Company (with respect to itself and its consolidated Subsidiaries) has devised and maintains a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles ("GAAP").

(c) Since the Applicable Date, the Company has disclosed, based on the most recent evaluation of its disclosure controls and procedures and internal control over financial reporting by its chief executive officer and its chief financial officer, to the Company's independent auditors and to the audit committee of the Company Board (i) all "significant deficiencies" in the design or operation of its internal controls over financial reporting that would reasonably be expected to adversely affect the Company's ability to record, process, summarize and report financial information and has identified for the Company's independent auditors and the audit committee of the Company Board any "material weaknesses" in such internal controls over financial reporting and (ii) any fraud, whether or not material, that involves management or other employees of the Company or any of its Subsidiaries who have a significant role in the Company's internal control over financial reporting.

(d) Since the Applicable Date, no material complaints, allegations, assertions, claims or notifications from any source regarding the Company's accounting, internal accounting controls or auditing practices, procedures or methods have been reported in writing to the audit committee of the Company Board by the Company's head of internal audit.

Section 3.13 Financial Statements. The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company and its consolidated Subsidiaries (including the related notes) included in or incorporated by reference into the Company SEC Reports:

(a) was prepared in all material respects in accordance with GAAP consistently applied during the periods involved, except, in the case of unaudited financial statements, as permitted by Form 10-Q of the SEC or other rules and regulations of the SEC; and

(b) fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations, cash flows, retained earnings/losses and changes in financial position, as the case may be, for the periods then ended (subject, in the case of any unaudited interim financial statements, to notes and normal year-end audit adjustments), except in each case as may be noted therein or in the notes thereto.

Section 3.14 Liabilities.

(a) Except as would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect, there are no liabilities or obligations of any kind, whether accrued, contingent, absolute, inchoate or otherwise (collectively, "Liabilities") of the Company or any of its Subsidiaries which are required to be recorded or reflected on a balance sheet, including the footnotes thereto, under GAAP, other than:

(i) Liabilities disclosed in the consolidated balance sheet of the Company and its consolidated Subsidiaries as of July 31, 2021 and the footnotes, thereto set forth in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2021;

(ii) Liabilities disclosed in the consolidated balance sheet of the Company and its consolidated Subsidiaries as of January 31, 2022 set forth in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2022;

(iii) Liabilities incurred since July 31, 2021 in the ordinary course of business;

(iv) Liabilities incurred in connection with the preparation, negotiation and consummation of the Transactions; and

(v) Liabilities set forth in Section 3.14(a)(v) of the Company Disclosure Letter.

(b) Except as set forth in Section 3.14(b) of the Company Disclosure Letter, there are no related party transactions or off-balance sheet structures or transactions with respect to the Company or any of its Subsidiaries that would be required to be reported or set forth in the Company SEC Reports.

Section 3.15 Absence of Certain Changes. Since July 31, 2021:

(a) except in connection with (i) the execution and delivery of this Agreement and the consummation of the Transactions or (ii) any modifications, suspensions or alterations of operations resulting from, or determined by the Company to be advisable and reasonably necessary in response to, COVID-19 or ay COVID-19 Measures, the Company and each of its Subsidiaries have conducted their business in the ordinary course of business; and

(b) there has not been any Company Material Adverse Effect.

Section 3.16 Litigation. There are no legal actions, claims, demands, arbitrations, hearings, charges, complaints, investigations, examinations, indictments, litigations, suits or other civil, criminal, administrative or investigative proceedings (collectively, "Legal Actions") pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries or, to the Knowledge of the Company, against any director, officer or employee of the Company or any of its Subsidiaries or other Person for whom the Company or any of its Subsidiaries may be liable, other than Legal Actions that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. There are no Orders outstanding against the Company or any of its Subsidiaries.

Section 3.17 Contracts.

(a) Neither the Company nor any of its Subsidiaries is a party to any Contract required to have been filed with the SEC by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act that has not been so filed.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (i) all Contracts to which the Company or any of its Subsidiaries is a party or by which any Company Assets are bound (collectively, "Company Contracts") are valid and binding, in full force and effect and enforceable in accordance with their respective terms, (ii) neither the Company nor any of its Subsidiaries is in violation or breach of, or in default (with or without notice or the lapse of time or both) under, any Company Contracts and (iii) to the Knowledge of the Company, no other Person is in violation or breach of, or in default (with or without notice or the lapse of time or both) under, any Company Contracts.

(c) There are no Company Contracts that (i) restrict the ability of the Company or any of the Company's Subsidiaries to compete in any line of business or to engage in business in any geographic area, (ii) contain any so-called "most favored nation" or similar provisions requiring the Company or any of its Subsidiaries to offer to a Person any terms or conditions that are at least as favorable as those offered to one or more other Persons or (iii) restrict the ability of the Company or any of its Subsidiaries to assert any claims or initiate any Legal Actions against any other Person.

(d) Neither the Company nor any of its Subsidiaries is a party to or bound by any financial derivatives master agreements, futures account opening agreements and/or brokerage statements evidencing financial hedging or other trading activities.

Section 3.18 Taxes.

(a) Except as would not, individually or in the aggregate, reasonably be likely to result in a Company Material Adverse Effect, the Company and each of its Subsidiaries have timely filed all income and other material returns, statements, reports and forms with respect to any United States federal, state, municipal, county, local or foreign taxes, including income, profits, premium, estimated, excise, sales, value added, use occupancy gross receipts, franchise, *ad valorem*, severance, capital levy, production, transfer, withholding, employment, unemployment compensation, payroll-related and property taxes, import duties and any other governmental charges or assessments, whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto (collectively, "Taxes") that they are required to file (each, a "Tax Return"). All such Tax Returns are correct and complete in all material respects. All income and other material Taxes owed by the Company and each of its Subsidiaries have been timely paid.

(b) Except as would not, individually or in the aggregate, reasonably be likely to result in a Company Material Adverse Effect, the Company and its Subsidiaries have withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other Person.

(c) To the Knowledge of the Company, none of the Tax Returns filed by the Company or any of its Subsidiaries is currently being examined by the Internal Revenue Service or any relevant state, local or foreign taxing authorities. Except as would not, individually or in the aggregate, reasonably be likely to result in a Company Material Adverse Effect, there are no Legal Actions relating to Taxes of the Company or any of its Subsidiaries pending, nor has the Company or any of its Subsidiaries received any written notice or report asserting a Tax deficiency with respect to the Company or any of its Subsidiaries.

(d) Except as would not, individually or in the aggregate, reasonably be likely to result in a Company Material Adverse Effect, all deficiencies or assessments asserted against the Company or any of its Subsidiaries by any taxing authority have been paid or fully and finally settled.

(e) To the Knowledge of the Company, the Company and its Subsidiaries have not waived any statute of limitations in respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

Section 3.19 Environmental Matters.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, the Company and each of its Subsidiaries and, to the Knowledge of the Company, their respective predecessors are and have been in compliance with:

(i) all applicable Laws relating to (A) pollution, contamination, protection of the environment, health, safety or sanitation, (B) emissions, discharges, disseminations, releases or threatened releases of Hazardous Substances into the air (indoor or outdoor), surface water, groundwater, soil, land surface or subsurface, buildings, facilities, real or personal property or fixtures or (C) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances (collectively, "Environmental Matters"); and

(ii) all applicable Orders relating to Environmental Matters (collectively, "Environmental Laws").

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, there are no past or present conditions, events, circumstances, facts, activities, practices, incidents, actions, omissions or plans:

(i) that have given rise or would reasonably be expected to give rise to any Liabilities of the Company or any of its Subsidiaries under any Environmental Laws;

(ii) that have required or would reasonably be expected to require the Company or any of its Subsidiaries to incur any actual or potential cleanup, remediation, removal or other response costs (including the cost of coming into compliance with Environmental Laws), investigation costs (including fees of consultants, counsel and other experts in connection with any environmental investigation, testing, audits or studies), losses, Liabilities, payments, damages (including any actual, punitive or consequential damages (A) under any Environmental Laws, contractual obligations or otherwise or (B) to third parties for personal injury or property damage), civil or criminal fines or penalties, judgments or amounts paid in settlement, in each case arising out of or relating to any Environmental Matters; or

(iii) that have formed or, to the Knowledge of the Company, would reasonably be expected to form the basis of any Legal Action against or involving the Company or any of its Subsidiaries arising out of or relating to any Environmental Matters.

(c) Neither the Company nor any of its Subsidiaries has received any notice or other communication: (i) that any of them is or may be a potentially responsible person or otherwise liable in connection with any waste disposal site or other location allegedly containing any Hazardous Substances; (ii) of any failure by any of them to comply with any Environmental Laws or the requirements of any environmental Permits; or (iii) that any of them is requested or required by any Governmental Entity to perform any investigatory or remedial activity or other action in connection with any actual or alleged release of Hazardous Substances or any other Environmental Matters.

Section 3.20 Personal Property. The Company and its Subsidiaries have good and marketable title to, or a valid and enforceable leasehold interest in, all personal Company Assets owned, used or held for use by them, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.21 Compliance with Laws.

(a) Except as would not, individually or in the aggregate, reasonably be likely to result in a Company Material Adverse Effect, each of the Company and its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, easements, variances, exceptions, consents, certificates, approvals and other permits of any Governmental Entity ("Permits") necessary for it to own, lease and operate its properties and assets or to carry on its business as it is now being conducted (collectively, the "Company Permits"), and all such Company Permits are in full force and effect, except as would not, individually or in the aggregate, reasonably be expected to have Company Material Adverse Effect. No suspension or cancellation of any of the Company Permits is pending or threatened, except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries is in conflict with, or in default or violation of, (i) any. Laws applicable to the Company or such Subsidiary or by which any of the Company Assets is bound or (ii) any Company Permits, except as would not, individually or in the aggregate, reasonably expected to have a Company Material Adverse Effect.

Section 3.22 Absence of Certain Payments. Neither the Company nor any of its Subsidiaries, nor any director, officer, employee, agent or representative of the Company or its Subsidiaries has made, directly or indirectly, any (a) bribe or kickback, (b) illegal political contribution, (c) payment from corporate funds which was improperly recorded on the books and records of the Company or any of its Subsidiaries, (d) unlawful payment from corporate funds to governmental officials for the purpose of influencing their actions or the actions of the Governmental Entity which they represent or (e) illegal payment from corporate funds to obtain or retain any business.

Section 3.23 Rights Agreement. The Company has taken all necessary action to (a) render the Company Rights Agreement inapplicable to this Agreement, the Merger and the other transactions contemplated by this Agreement, (b) ensure that (i) neither Parent, Merger Sub nor any of their Affiliates will become or be deemed to be an "Acquiring Person" (as defined in the Company Rights Agreement) and (ii) no "Distribution Date," "Stock Acquisition Date" or "Triggering Event" (each as defined in the Company Rights Agreement) will occur, in any such case, by reason of the approval, execution or delivery of this Agreement, the announcement or consummation of the Merger or the consummation of any of the other transactions contemplated by this Agreement and (c) cause the Company Rights Agreement to expire immediately prior to the Effective Time.

Section 3.24 Takeover Statutes. The Company Board has taken all necessary action, including, without limitation, the approval of this Agreement, the Merger, and the Transactions, to ensure that the restrictions on business combinations contained in Section 203 of the DGCL will not apply to the Transactions. No other Takeover Statutes apply or purport to apply to this Agreement, the Merger, or the Transactions.

Section 3.25 Opinion of Financial Advisor. The Special Committee has received an opinion of Houlihan Lokey Capital, Inc. (the "Company Financial Advisor"), its financial advisor, to the effect that, as of the date of such opinion and subject to the factors, assumptions and limitations set forth therein, the Per Share Merger Consideration to be received by the holders of Company Common Stock (other than Parent and its Affiliates) in the Merger pursuant to this Agreement is fair, from a financial point of view. The Company will make available to Parent, promptly following the execution of this Agreement for informational purposes only, a complete and correct copy of such written opinion. The Company has obtained the authorization of the Company Financial Advisor to include a copy of such opinion in the Company Proxy Statement.

Section 3.26 Brokers and Finders. No broker, finder or investment banker other than the Company Financial Advisor is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Special Committee.

Section 3.27 No Other Representations or Warranties. Except for the express written representations and warranties made by the Company in this Article III and in any certificate to be delivered by the Company pursuant to this Agreement, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company or any of its Affiliates or with respect to any other information provided to Parent or any of its Affiliates or its and their respective Representatives by or on behalf of the Company or any of its Subsidiaries in connection with the Transactions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub each hereby represents and warrants to the Company that:

Section 4.1 Organization and Power. Parent is a limited partnership duly formed, validly existing and in good standing under the Laws of the State of Delaware; Merger Sub is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware. Each of Parent and Merger Sub has the requisite limited liability company or corporate, respectively, power and authority to own, lease and operate its assets and properties and to carry on its business as now conducted.

Section 4.2 Corporate Authorization. Each of Parent and Merger Sub has all necessary limited partnership or corporate, respectively, power and authority to enter into this Agreement and subject to the adoption of this Agreement by Parent as the sole stockholder of Merger Sub, to consummate the Transactions. The general partner of Parent has determined, in its sole discretion (as defined in the Parent LPA), that this Agreement and the Transactions are necessary and appropriate to the conduct of the business of Parent in compliance with the Parent LPA. The board of directors of Merger Sub has unanimously adopted resolutions (i) determining that the terms of this Agreement and the Transaction are fair to and in the best interests of Merger Sub and its sole stockholder, and declared it advisable to enter into this Agreement, (ii) approved and declared advisable this Agreement and the Transactions and (iii) recommended that this Agreement be adopted by the sole stockholder of Merger Sub. The execution and delivery of this Agreement by each of Parent and Merger Sub and the consummation by each of Parent and Merger Sub of the Transactions have been duly and validly authorized by all necessary corporate action on the part of Parent and Merger Sub, subject to the adoption of this Agreement by Parent as sole stockholder of Merger Sub.

Section 4.3 Enforceability. This Agreement has been duly executed and delivered by each of Parent and Merger Sub and constitutes a legal, valid and binding agreement, of each of Parent and Merger Sub, enforceable against them in accordance with its terms, subject to the Bankruptcy and Equity Exceptions.

Section 4.4 Governmental Authorizations. The execution, delivery and performance of this Agreement by Parent and Merger Sub and the consummation by Parent and Merger Sub of the Transactions do not and will not require any consent, approval or similar authorization of, or filing with or notification to, any Governmental Entity, other than:

(a) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware;

(b) any reports under the Exchange Act that may be required in connection with this Agreement and the Transactions; and

(c) compliance with the rules and regulations of the New York Stock Exchange ("NYSE").

Section 4.5 Non-Contravention. The execution, delivery and performance of this Agreement by Parent and Merger Sub and the consummation by Parent and Merger Sub of the Transactions do not and will not:

(a) contravene or conflict with, or result in any violation of or breach of, any provision of the certificate of limited partnership of Parent or the Parent LPA or the certificate of incorporation or bylaws Merger Sub;

(b) contravene or conflict with, or result in any violation or breach of, any Laws or Orders applicable to Parent or any of its Subsidiaries or by which any assets of Parent or any of its Subsidiaries ("Parent Assets") are bound, assuming that all consents, approvals, authorizations, filings and notifications described in Section 4.4 have been obtained or made;

(c) result in any violation or breach of, or constitute a default (with or without notice or lapse of time or both) under, any Contracts to which Parent or any of its Subsidiaries is a party or by which any Parent Assets are bound (collectively, "Parent Contracts"), except as would not, individually or in the aggregate, reasonably be expected to prevent, materially impede or materially delay the consummation of the Transactions or the payment of the Per Share Merger Consideration;

(d) require any consent, approval or other authorization, or any filing with or notification to, any Person under any Parent Contracts, except as would not, individually or in the aggregate, reasonably be expected to prevent, materially impede or materially delay the consummation of the Transactions or the payment of the Per Share Merger Consideration;

(e) give rise to any termination, cancellation, amendment or acceleration of any rights or obligations under any Parent Contracts, except as would not, individually or in the aggregate, reasonably be expected to prevent, materially impede or materially delay the consummation of the Transactions or the payment of the Per Share Merger Consideration; or

(f) cause the creation or imposition of any Liens on any Parent Assets, except as would not, individually or in the aggregate, reasonably expected to prevent, materially impede or materially delay the consummation of the Transactions or the payment of the Per Share Merger Consideration.

Section 4.6 Available Funds. Parent has, and shall have at the Closing, (a) sufficient cash on hand and/or unrestricted undrawn amounts immediately available under existing lines of credit or other sources of funds to enable the payment of the aggregate amounts payable under Section 2.1(c)(i) and any fees or expenses payable by Parent or Merger Sub pursuant to this Agreement and (b) the financial resources and capabilities to fully perform all of Parent's and Merger Sub's obligations under this Agreement. Subject to the satisfaction or waiver of all of the conditions to Closing contained in Article VI, in no event shall the receipt or availability of any funds or financing by or to Parent, Merger Sub or any of their respective Subsidiaries be a condition to any of the obligations of Parent and Merger Sub under this Agreement.

Section 4.7 Solvency. Subject to the satisfaction or waiver of all of the conditions to Closing contained in Article VI, after giving effect to the Merger and the payment of the aggregate amounts payable under Section 2.1(c)(i) and any fees or expenses payable by Parent or Merger Sub pursuant to this Agreement, each of Parent and the Surviving Corporation will be Solvent. Neither Parent nor Merger Sub is entering into this Agreement with the intent to hinder, delay or defraud present or future creditors.

Section 4.8 Brokers and Finders. No broker, finder or investment banker other than Imperial Capital, LLC is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent or any of its Subsidiaries.

Section 4.9 Interim Operations of Merger Sub. Merger Sub was formed solely for the purpose of engaging in the Transactions and has not engaged in any business activities or conducted any operations other than in connection with the Transactions.

Section 4.10 No Other Representations or Warranties; No Reliance.

(a) Except for the express written representations and warranties made by Parent and Merger Sub in this Article IV and in any certificate delivered by Parent or Merger Sub pursuant to this Agreement, none of Parent, Merger Sub or any other Person makes any express or implied representation or warranty with respect to Parent, Merger Sub or any of their respective Affiliates or with respect to any other information provided to the Company or any of its Affiliates or its and their respective Representatives by or on behalf of Parent or any of its Subsidiaries in connection with the Transactions.

(b) Parent and Merger Sub each acknowledges and agrees that, except for the representations and warranties set forth in Article III and in any certificate delivered by the Company pursuant to this Agreement, neither the Company nor any other Person makes or has made any express or implied representation or warranty with respect to the Company or any of its Subsidiaries or with respect to any other information provided to Parent or any of its Affiliates or its and their respective Representatives by or on behalf of the Company or any of this Subsidiaries in connection with the Transactions. Each of Parent and Merger Sub, on its own behalf and on behalf of its Affiliates (other than the Company and its Subsidiaries) and its and their respective Representatives, disclaims reliance on any representations or warranties or other information provided to them by the Company or any of its Subsidiaries or its or their respective Representatives or any other Person except for the representations and warranties expressly set forth in Article III and in any certificate delivered by the Company pursuant to this Agreement. Without limiting the generality of the foregoing, each of Parent and Merger Sub, on its own behalf and on behalf of its Affiliates (other than the Company and its Subsidiaries) and its and their respective Representatives, acknowledges and agrees that none of the Company, any of its Subsidiaries or any other Person shall have or be subject to any liability or other obligation to Parent, Merger Sub or any other Person resulting from the distribution to Parent or Merger Sub or any of their respective Representatives, or Parent's or Merger Sub's (or such Representatives') use of, or the accuracy or completeness of, any such information, including any information, documents, projections, forecasts or other material made available to Parent or Merger Sub in certain "data rooms" or management presentations in expectation of the Merger.

ARTICLE V
COVENANTS

Section 5.1 Conduct of Business of the Company.

(a) Except as (i) required or expressly contemplated by this Agreement, (ii) consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) required by a Governmental Entity or under applicable Law (including COVID-19 Measures) or to comply with a Company Contract or (iv) set forth in Section 5.1 of the Company Disclosure Letter, the Company shall, and shall cause each of its Subsidiaries to, (x) use its commercially reasonable efforts to conduct its operations only in the ordinary course of business and (y) use its commercially reasonable efforts to maintain and preserve intact its business organization, to retain the services of its present officers and key employees, and to preserve the good will of its customers, suppliers and other Persons with whom it has business relationships.

(b) Without limiting the generality of Section 5.1(a), and except as (i) required or expressly contemplated by this Agreement, (ii) consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) required by a Governmental Entity or under applicable Law (including COVID-19 Measures) or to comply with a Company Contract or (iv) set forth in Section 5.1 of the Company Disclosure Letter, the Company shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Parent (not to be unreasonably withheld or delayed):

(i) amend any of the Company Organizational Documents;

(ii) do or effect any of the following actions with respect to its capital stock or other securities: (A) adjust, split, combine or reclassify its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock; (B) make, declare or pay any dividend (other than dividends paid by wholly-owned Subsidiaries) or distribution on, or, directly or indirectly, redeem, purchase or otherwise acquire, any shares of its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock; (C) grant any Person any right or option to acquire any shares of its capital stock; (D) issue, deliver or sell any additional shares of its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock or such securities; or (E) enter into any Company Contract, agreement, arrangement or understanding with respect to the sale, voting, registration or repurchase of its capital stock;

(iii) except for increases in salary, wages and benefits of officers or employees in accordance with past practice, in conjunction with new hires, promotions or other changes in job status or pursuant to existing collective bargaining agreements, (A) increase the compensation or benefits payable or to become payable to its directors, officers or employees with total annual compensation greater than $250,000, (B) pay any compensation or benefits not required by any existing plan or arrangement (including the granting of stock options, stock appreciation rights, shares of restricted stock or performance units) or grant any severance or termination pay to (except pursuant to existing agreements, plans or policies), or enter into any employment or severance agreement with, any of its directors, officers or other employees or (C) establish, adopt, enter into, amend or take any action to accelerate rights under any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, savings, welfare, deferred compensation, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any of its directors, officers or current or former employees, except in each case to the extent required by applicable Laws;

(iv) acquire, sell, lease, license, transfer, pledge, encumber, grant or dispose of (whether by merger, consolidation, purchase, sale or otherwise) any Company Assets, including the capital stock of Subsidiaries of the Company (other than the acquisition and sale of inventory or the disposition of used or excess equipment and the purchase of raw materials, supplies and equipment, in either case in the ordinary course of business), that are material to the Company and its Subsidiaries, taken as a whole;

(v) incur, assume, or prepay any indebtedness with an aggregate principal amount in excess of $500,000 (including by issuance of debt securities) other than in the ordinary course of business;

(vi) assume, guarantee, endorse or otherwise become liable or responsible for the material obligations of any other Person;

(vii) make any loans, advances or capital contributions to, or investments in, any other Person except in the ordinary course of business;

(viii) terminate or cancel any Company Contract which is material to the Company and its Subsidiaries taken as a whole, or enter into any Company Contract which would be material to the. Company and its Subsidiaries, taken as a whole, in either case other than in the ordinary course of business;

(ix) make or authorize any capital expenditure in excess of $2,000,000 other than capital expenditures provided for in the Company's budget for such fiscal year;

(x) change its accounting policies or procedures, other than as required by GAAP or applicable Law;

(xi) waive, release, assign, settle or compromise any material rights, claims or litigation;

(xii) pay, discharge or satisfy any material Liabilities, other than in the ordinary course of business;

(xiii) enter into any Company Contract that would limit or otherwise restrict the Company or any of its Subsidiaries or any of their successors, or that would, after the Effective Time, limit or otherwise restrict Parent or any of its Subsidiaries or any of their successors, from engaging or competing in any line of business or in any geographic area;

(xiv) make any Tax election or settle or compromise any material federal, state, local or foreign Tax liability, other than in the ordinary course of business;

(xv) directly or indirectly sell, transfer, or otherwise dispose of (including by means of a merger or other business combination transaction) all or any portion of the ModusLink Assets;

(xvi) take any action that would reasonably be expected to prevent, materially delay or materially impair the ability of the Parties to consummate the Transactions; or

(xvii) authorize, propose or commit to do any of the foregoing.

Section 5.2 Conduct of Business of Parent. Parent shall use its commercially reasonable efforts to maintain and preserve intact its business organization. Without limiting the generality of the foregoing and except as otherwise contemplated by this Agreement, Parent shall not:

(a) amend the certificate of incorporation of Merger Sub;

(b) make, declare or pay any extraordinary cash dividend;

(c) take any action that would reasonably be expected to result in any representation or warranty of Parent under this Agreement becoming untrue or inaccurate in any material respect at or as of any time prior to the Effective Time or omit to take any action necessary to prevent any such representation or warranty from becoming inaccurate in any material respect at such time;

(d) take any action that would reasonably be expected to prevent, materially delay or materially impair the ability of the Parties to consummate the Transactions; or

(e) authorize, propose or commit to do any of the foregoing.

Section 5.3 Access to Information; Confidentiality.

(a) The Company shall, and shall cause its Subsidiaries, to: (i) provide to Parent and its general partner, officers, employees, accountants, consultants, legal counsel, investment bankers, agents and other representatives (its "Representatives") access at reasonable times upon prior notice to the officers, employees, agents, properties, books and records of the Company and its Subsidiaries; and (ii) furnish promptly such information concerning Company and its Subsidiaries as Parent or its Representatives may reasonably request. No investigation conducted under this Section 5.3(a), however, will affect or be deemed to modify any representation or warranty made in this Agreement.

(b) Parent shall comply with, and shall cause its Representatives to comply with, all of its obligations under the Management Services Agreement, dated June 1, 2019 (the "Management Services Agreement"), between Steel Services Ltd. and the Company with respect to the information disclosed under Section 5.3(a).

Section 5.4 No Solicitation.

(a) From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement in accordance with Article VII, except as specifically permitted by this Section 5.4 or Section 5.18, the Company shall not, and shall cause each of its Subsidiaries, directors, executive officers, or controlled Affiliates not to, and shall instruct its other Representatives not to, directly or indirectly:

(i) solicit, initiate, facilitate or knowingly encourage, directly or indirectly, any inquiries, offers or proposals that constitute, or could reasonably be expected to lead to, any Takeover Proposal;

(ii) engage in discussions or negotiations with, furnish or disclose any non-public information relating to the Company or any of its Subsidiaries to, or give access to the Company Assets to, any Person that has made or may be considering making any Takeover Proposal;

(iii) approve, endorse or recommend any Takeover Proposal; or

(iv) enter into any Contract relating to any Takeover Proposal.

(b) Immediately upon expiration of the Go-Shop Period, until the termination of this Agreement in accordance with Article VII, the Company shall, and shall cause each of its Subsidiaries, Representatives and Subsidiaries' Representatives to, immediately cease any existing solicitations, discussions or negotiations with any Person conducted with respect to any Takeover Proposal (other than with respect to each Excluded Party only for so long as such Person is and remains an Excluded Party and as otherwise permitted by this Section 5.4). The Company shall promptly inform its Representatives and its Subsidiaries' Representatives of the Company's obligations this Section 5.4.

(c) The Company shall notify Parent as promptly as possible within forty-eight (48) hours after receipt of (i) any Takeover Proposal or any inquiry that could reasonably be expected to lead to, or result in, a Takeover Proposal, (ii) any request for non-public information relating to the Company or any of its Subsidiaries that could reasonably be expected to lead to, or result in, a Takeover Proposal or (iii) any request for access to the Company Assets by any Person that has made any Takeover Proposal, which notice shall be in writing and shall include the identity of such Person or Persons, the material terms and conditions of such Takeover Proposal, indication or request, as applicable, and, if available, a copy of such Takeover Proposal, inquiry, or request. The Company shall keep Parent reasonably informed on a prompt basis of the status and material details of any such Takeover Proposal, inquiry, or request.

(d) Subject to the Company's compliance with the provisions of this Section 5.4 and prior to obtaining of the Requisite Company Vote, nothing in this Agreement shall prevent the Company (acting upon the recommendation of the Special Committee) or the Special Committee from:

(i) engaging in discussions or negotiations with, or furnishing or disclosing any non-public information relating to the Company or any of its Subsidiaries or giving access to the Company Assets to, any Person who has or Persons who have made a *bona fide*, written and unsolicited Takeover Proposal if the Special Committee determines that such Takeover Proposal may result in a Superior Proposal, but only so long as the Company has caused such Person or Persons to enter into an Acceptable Confidentiality Agreement with the Company, and the Special Committee has, in good faith, (A) determined, based on the information then available and after consultation with the Company Financial Advisor, that such *bona fide*, written and unsolicited Takeover Proposal either constitutes a Superior Proposal or could reasonably be expected to lead to, or result in, a Superior Proposal, and (B) determined, after consultation with outside legal counsel, that the failure to take such action could be inconsistent with the directors' fiduciary duties under applicable Law; and

(ii) entering into an agreement, arrangement or understanding providing for the implementation of a Superior Proposal (an "Alternative Acquisition Agreement") and terminating this Agreement pursuant to Section 7.4(a), if, and only if, (A) the Company and its Representatives have not breached (other than any de minimis breach) any of their obligations under Section 5.4 (as modified by Section 5.18) (B) the Company Board (acting on the recommendation of the Special Committee) or the Special Committee, in good faith, after consultation with the Company Financial Advisor and its outside legal counsel, determines: (I) that a *bona fide*, written and unsolicited Takeover Proposal constitutes a Superior Proposal, and (II) that failure to enter into an Alternative Acquisition Agreement and terminate this Agreement pursuant to Section 7.4(a), could be inconsistent with the directors' fiduciary duties under applicable Law, (C) the Company, as promptly as possible after such determinations, notifies Parent in writing that the Company Board (acting on the recommendation of the Special Committee) or the Special Committee has made the determinations provided in the foregoing clause (B), (D) during the three (3) Business Day period following Parent's receipt of the notice provided pursuant to the foregoing clause (C), the Company shall have, and shall have caused its Representatives to have, negotiated with Parent and its Representatives reasonably and in good faith in furtherance of making such commercially reasonable adjustments to the terms and conditions of this Agreement as would enable the Company to proceed with the Merger, (E) after the conclusion of the period provided in the foregoing clause (D), Company Board (acting on the recommendation of the Special Committee) or the Special Committee, acting reasonably and in good faith, determines, taking into account the negotiations with Parent and its Representatives and any adjustments to the terms and conditions of the Agreement proposed by Parent, after consultation with the Company Financial Advisor and outside legal counsel, (I) that such *bona fide*, written and unsolicited Takeover Proposals continues to constitute a Superior Proposal, and (II) that the failure to enter into an agreement, arrangement or understanding providing for the implementation of such Superior Proposal and the termination of this Agreement pursuant to Section 7.4(a), could be inconsistent with the directors' fiduciary duties under applicable Law, (F) after such determinations by the Company Board (acting on the recommendation of the Special Committee) or the Special Committee, acting reasonably and in good faith, resolves to terminate this Agreement in accordance with Section 7.4(a) and (G) the Company terminates this Agreement (within two (2) Business Days following the conclusion of the three (3) Business Day period referred to in the foregoing clause (D)) pursuant to Section 7.4(a).

(e) Neither the Special Committee nor the Company Board shall withdraw, modify or amend, or propose to withdraw, modify or amend, the Company Board Recommendation in any manner adverse to Parent unless (i) the Company terminates this Agreement as provided in Section 5.4(d) pursuant to Section 7.4(a) or (ii) an Intervening Event has occurred and the Company Board (acting on the recommendation of the Special Committee) or the Special Committee determines in good faith, after consultation with outside legal counsel that the failure to withdraw, modify or amend, or propose to withdraw, modify or amend, the Company Board Recommendation could reasonably be likely to be inconsistent with the directors' fiduciary duties under applicable Law.

(f) Nothing set forth in this Agreement shall prohibit the Company from (i) complying with its disclosure obligations under U.S. federal or state Law with regard to a Takeover Proposal, (ii) taking and disclosing to the stockholders of the Company any position contemplated by Rule 14d-9, Rule 14e-2(a) or Item 1012(a) of Regulation M-A promulgated under the Exchange Act, or (iii) making any "stop, look and listen" or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act.

Section 5.5 Notices of Certain Events.

(a) The Company shall notify Parent as promptly as practicable of (i) any notice or other communication from any Governmental Entity in connection with the Transactions, or (ii) any Legal Actions threatened or commenced against or otherwise affecting the Company or any of its Subsidiaries.

(b) The Parent shall notify the Company as promptly as practicable of any notice or other communication from any Governmental Entity in connection with the Transactions.

Section 5.6 Proxy Statement; Schedule 13E-3.

(a) As promptly as practicable after the execution of this Agreement, the Company shall prepare and file with the SEC the Company Proxy Statement in preliminary form. The Company shall cause the Company Proxy Statement to comply as to form and substance in all material respects with the requirements of applicable Laws. Parent shall furnish all information concerning itself as the Company may reasonably request in connection with the preparation of the Company Proxy Statement; *provided*, that the Company assumes no responsibility with respect to information supplied by or on behalf of Parent, its controlled Affiliates (other than the Company and its Subsidiaries) or their respective Representatives for inclusion or incorporation by reference in the Company Proxy Statement. As promptly as practicable after the execution of this Agreement, the Company and Parent shall jointly prepare and file with the SEC a Rule 13E-3 transaction statement on Schedule 13E-3 relating to the adoption of this Agreement by the Company's stockholders (the "Schedule 13E-3"). As promptly as practicable after the SEC confirms orally or in writing that it has no further comments to the Company Proxy Statement or that it does not intend to review the Company Proxy Statement (the "Clearance Date"), the Company shall file a definitive Company Proxy Statement with the SEC and shall mail notice of the Company Stockholders Meeting and the Company Proxy Statement (collectively, the "Company Proxy Materials") to the stockholders of the Company.

(b) The Company Proxy Statement shall include the Company Board Recommendation, except to the extent that the Company Board shall have withdrawn, modified or amended the Company Board Recommendation in accordance with Section 5.4(e) and terminated this Agreement in accordance with Section 7.4(a).

(c) To the fullest extent permitted by applicable Law, no amendment or supplement to the Company Proxy Statement shall be made without the approval of Parent, which approval shall not be unreasonably withheld, delayed or conditioned. The Company shall promptly advise Parent upon becoming aware of any comments, responses or requests from the SEC relating to the Company Proxy Materials, this Agreement, or the Transactions. To the fullest extent permitted by applicable Law, no amendment or supplement to the Schedule 13E-3 shall be made without the approval of the Company (acting upon the advice of the Special Committee), which approval shall not be unreasonably withheld, delayed or conditioned. Parent shall promptly advise the Company upon becoming aware of any comments, responses or requests from the SEC relating to the Schedule 13E-3, this Agreement, or the Transactions.

(d) The information supplied by the Parties for inclusion in the Company Proxy Statement and Schedule 13E-3 shall not, at (i) the time the Company Proxy Materials (or any amendment of or supplement to the Company Proxy Materials) are mailed to the stockholders of the Company, (ii) the time of the Company Stockholders Meeting and (iii) the Effective Time, contain any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. If, at any time prior to the Effective Time, (i) any information relating to the Company or any of its Subsidiaries should be discovered by the Company or any of its Subsidiaries that should be set forth in an amendment or a supplement to the Company Proxy Statement or Schedule 13E-3 so that the Company Proxy Statement or Schedule 13E-3 would not include any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, the Company shall promptly inform Parent and (ii) any information relating to Parent or Merger Sub should be discovered by Parent or Merger Sub that should be set forth in an amendment or supplement to the Company Proxy Statement or Schedule 13E-3 so that the Company Proxy Statement or Schedule 13E-3 would not include any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, Parent shall promptly inform the Company; *provided*, that (A) the Company assumes no responsibility with respect to information supplied by or on behalf of Parent, its controlled Affiliates (other than the Company and its Subsidiaries) or their respective Representatives for inclusion or incorporation by reference in the Company Proxy Statement or the Schedule 13E-3 and (B) Parent and Merger Sub assume no responsibility with respect to information supplied by or on behalf of the Company, its controlled Affiliates or their respective Representatives for inclusion or incorporation by reference in the Company Proxy Statement or the Schedule 13E-3. All documents that the Company is responsible for filing with the SEC in connection with the Transactions shall comply as to form and substance in all material respects with the applicable requirements of the DGCL, the Securities Act and the Exchange Act. All documents that Parent is responsible for filing with the SEC in connection with the Transactions shall comply as to form and substance in all material respects with the applicable requirements of the DGCL, the Securities Act and the Exchange Act.

Section 5.7 Meeting. The Company shall take all lawful necessary to call and hold the Company Stockholders Meeting as promptly as practicable after Clearance Date. The Company shall cause the Company Stockholders Meeting to be held as soon as practicable following the mailing of the Company Proxy Materials to the stockholders of the Company. Subject to the Company Board's and the Special Committee's fiduciary obligations under applicable Law, the Company shall use its commercially reasonable efforts to solicit or cause to be solicited from its stockholders proxies in favor of the adoption of this Agreement and to secure the Requisite Company Vote, the Unaffiliated Stockholder Approval and the Certificate of Amendment in respect of the Company Series C Preferred Stock.

Section 5.8 Parent Voting Obligations.

(a) Until the earlier of the Effective Time and the termination of this Agreement in accordance with Article VII, at the Company Stockholders Meeting, any adjournment thereof or any other meeting of the stockholders of the Company in connection with the Merger, Parent shall vote, and cause to be voted, any shares of Company Common Stock, or Company Series C Preferred Stock, then owned beneficially or of record by it or any of its Affiliates, in favor of the adoption of this Agreement and the approval of the Merger and the approval of any actions required in furtherance thereof.

(b) In the event that a special meeting of the Company's stockholders is called for the purpose of obtaining the Requisite Company Vote to approve an Alternative Acquisition Agreement, Parent shall vote, and cause to be voted, any shares of Company Common Stock, or Company Series C Preferred Stock, then owned beneficially or of record by it or any of its Affiliates, in favor of the adoption of the Alternative Acquisition Agreement.

Section 5.9 Stock Exchange Delisting; Exchange Act Deregistration. Prior to the Closing Date, the Company shall cooperate with Parent and use its commercially reasonable efforts to take, or cause to be taken, all awful actions, and do or cause to be done all lawful things, necessary, proper or advisable on its part under applicable Laws and rules and policies of Nasdaq to enable the delisting by the Surviving Corporation of shares of Company Common Stock from the Nasdaq and the deregistration of the shares of Company Common Stock and other securities of the Company under the Exchange Act as promptly as practicable after the Effective Time.

Section 5.10 Other Benefit Plans. In the event that any employee of the Company or any of its Subsidiaries is at any time after the Effective Time transferred to Parent or any of its Subsidiaries or becomes a participant in an employee benefit plan, program or arrangement maintained by or contributed to by Parent or any of its Subsidiaries, Parent shall cause such plan, program or arrangement to treat the prior service of such employee with the Company or its Subsidiaries, to the extent prior service is generally recognized, as service rendered to Parent or such Subsidiary for purposes of eligibility and vesting. Parent shall cause to be waived any pre-existing condition limitation under its welfare plans that might otherwise apply to such employee.

Section 5.11 Directors' and Officers' Indemnification and Insurance.

(a) Without limiting any additional rights that any individual who, at any time prior to the Effective Time, is or was a director or officer of the Company or any Subsidiary of the Company or, while a director or officer of the Company or any Subsidiary of the Company at any time prior to the Effective Time, is or was serving at the request of the Company or any Subsidiary of the Company as a director or officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (such individual, together with such individual's heirs, executors or administrators, an "Indemnified Person"), may have under any employment or indemnification agreement, the Company Charter, the Company Bylaws, or one or more other Company Organizational Documents, the Surviving Corporation shall, and Parent shall cause the Surviving Company to, from and after the Effective Time: (i) indemnify and hold harmless each Indemnified Person to the fullest extent authorized or permitted by, and subject to the conditions and procedures of, applicable Law, against any losses, claims, damages, liabilities, costs, expenses (including reasonable attorneys' fees), Orders, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of any thereof) (collectively, "Indemnification Expenses") incurred by such Indemnified Person in defending or serving as a witness in any Legal Action; and (ii) within twenty (20) days after any written request for advancement is received by the Surviving Corporation, advance to an Indemnified Person any Indemnification Expenses incurred by such Indemnified Person in defending or serving as a witness in any Legal Action in advance of the final disposition of such Legal Action, which such advancement right shall include any Indemnification Expenses incurred by such Indemnified Person in connection with enforcing any rights to indemnification or advancement under this Section 5.11(a), in each case without the requirement of any bond or other security; provided, that the payment of any Indemnification Expenses incurred by an Indemnified Person in advance of the final disposition of a Legal Action shall be made only upon delivery of an undertaking by or on behalf of such Indemnified Person to repay all amounts so paid in advance if it shall ultimately be determined in a final nonappealable judicial decision that such Indemnified Person is not entitled to be indemnified under applicable Law. The indemnification and advancement obligations of the Surviving Corporation under this Section 5.11(a) extend to acts or omissions of an Indemnified Person occurring at or before the Effective Time and any Legal Action relating thereto (including with respect to any acts or omissions occurring in connection with the approval of this Agreement and the consummation of the Transactions, including the consideration and approval thereof and the process undertaken in connection therewith and any Legal Action relating thereto). All rights to indemnification and advancement conferred under this Section 5.11(a) shall continue as to any Indemnified Person who has ceased to be a director or officer of the Company or any Subsidiary of the Company at or after the Effective Time and inure to the benefit of such person's heirs, executors and personal and legal representatives. The Surviving Corporation shall not, and Parent shall cause the Surviving Company not to, settle, compromise or consent to the entry of any Order in any actual or threatened Legal Action in respect of which indemnification has been sought by any Indemnified Person under this Section 5.11(a) unless such settlement, compromise or Order includes an unconditional release of such Indemnified Person from all liability arising out of such Legal Action without admission or finding of wrongdoing, or such Indemnified Person otherwise consents thereto. If the Surviving Corporation shall fail to pay or advance, as applicable, any amounts required to be paid or advanced, as applicable, by the Surviving Corporation to an Indemnified Person pursuant to this Section 5.11(a), Parent shall be obligated to pay or advance, as applicable, any such amounts; provided, however, that Parent shall (i) have the same defenses with respect to such payment or advancement, as applicable, as the Surviving Corporation, (ii) be entitled to enforce any undertaking provided by such Indemnified Person pursuant to this Section 5.11(a) in the same manner and with the same effect as the Surviving Corporation and (iii) have a claim of contribution against the Surviving Corporation for any amounts paid or advanced by Parent to an Indemnified Person pursuant to this sentence.

(b) Without limiting the foregoing, all rights to indemnification, advancement of expenses and exculpation now existing in favor of any Indemnified Person as provided in the Company Organizational Documents, in effect as of the date of this Agreement, shall, with respect to matters occurring at or prior to the Effective Time, survive the Merger and continue in full force and effect from and after the Effective Time. During the Tail Period, the Surviving Charter and Surviving Bylaws and Company Organizational Documents of the Subsidiaries shall, with respect to matters occurring at or prior to the Effective Time, contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of the Indemnified Persons than are set forth in the Company Organizational Documents in effect as of the date of this Agreement, and such provisions shall not be amended, repealed or otherwise modified after the Effective Time in any manner that would materially adversely affect the rights thereunder, as of the Effective Time, of any Indemnified Person, with respect to matters occurring at or prior to the Effective Time.

(c) Unless the Company shall have purchased a "tail" policy prior to the Effective Time as provided below, during the Tail Period, Parent or the Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) obtain and maintain directors' and officers' liability insurance for the Indemnified Persons with respect to matters occurring at or prior to the Effective Time on terms with respect to coverage and amount no less favorable than those of the directors' and officers' liability insurance policy obtained by the Company in effect on the date of this Agreement; *provided*, that in no event shall Parent and the Surviving Corporation be obligated to expend in order to obtain or maintain insurance coverage pursuant to this Section 5.11(c) any amount per annum in excess of 300% of the last annual premium paid by the Company for such insurance before the date of this Agreement (the "Cap"); *provided*, that if equivalent coverage can be obtained only by paying an annual premium in excess of the Cap, Parent or the Surviving Corporation shall only be required to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap. Prior to the Effective Time, the Company shall use its commercially reasonable efforts to purchase a six-year "tail" prepaid policy or policies on the Company's current directors' and officers' liability insurance; *provided*, that in no event shall the Company expend an amount in excess of 300% of the annual premium currently paid by the Company for directors' and officers' liability insurance. In the event that such a "tail" policy is purchased prior to the Effective Time, the Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) maintain such "tail" policy in full force and effect and Parent and the Surviving Corporation shall have no obligations under the first sentence of this Section 5.11(c) so long as such "tail" policy is in full force and effect.

(d) During the Tail Period, without the prior written consent of the Indemnified Person, all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto now existing in favor of any Indemnified Person as provided in the Company Organizational Documents or any indemnification agreement between such Indemnified Person and the Company or any of its Subsidiaries, in each case, as in effect on the date of this Agreement, shall not be amended, restated, amended and restated, repealed or otherwise modified in any manner (whether by merger, consolidation, division, operation of law or otherwise) that would adversely affect any right thereunder of any such Indemnified Person without such Indemnified Person's consent.

(e) If Parent or the Surviving Corporation or any of their respective legal successors or permitted assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving Person of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person or consummate any division transaction, then, and in each such case, proper provisions shall be made so that the legal successors and permitted assigns of Parent or the Surviving Corporation shall assume all of the obligations set forth in this Section 5.11.

Section 5.12 Efforts. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with applicable Laws, each of the Parties shall use its commercially reasonable efforts to take, or cause to be taken, all lawful action, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, as promptly as practicable, all lawful things necessary, proper or advisable under applicable Laws and regulations to ensure that the conditions set forth in Article VI are satisfied and to consummate the Transactions. If, at any time after the Effective Time, any further lawful action is necessary or desirable to carry out the purposes of this Agreement, including the execution of additional instruments, the proper officers and directors of each Party shall take all such necessary lawful action.

Section 5.13 Consents; Filings; Further Action. Upon the terms and subject to the conditions of this Agreement and in accordance with applicable Laws, each of the Parties shall use its respective commercially reasonable efforts to (a) obtain any consents, approvals or other authorizations required to be obtained by Parent or the Company or any of their respective Subsidiaries in connection with the Transactions and (b) make any necessary filings and notifications, and thereafter make any other submissions either required or deemed appropriate by each of the Parties, with respect to the Transactions required under (i) the Securities Act, the Exchange Act and state securities or "blue sky" Laws, (ii) any applicable competition and antitrust Laws, (iii) the DGCL and Delaware Revised Uniform Limited Partnership Act, (iv) any other applicable Laws and (v) the rules and regulations of Nasdaq and NYSE. The Parties shall cooperate and consult with each other in connection with the making of all such filings and notifications, including by providing copies of all such documents to the non-filing party and its advisors prior to filing, and none of the Parties shall file any such document if any of the other Parties shall have reasonably objected to the filing of such document. None of the Parties shall consent to any voluntary extension of any statutory deadline or waiting period or to any voluntary delay of the consummation of the Transactions at the behest of any Governmental Entity without the consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

Section 5.14 Public Announcements. The Parties shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or any of the Transactions and shall not issue any such press release or make any such public statement prior to such consultation, except to the extent required by applicable Laws or the requirements of Nasdaq and NYSE, in which case the issuing Party shall use its commercially reasonable efforts to consult with the other Parties before issuing any such release or making any such public statement.

Section 5.15 Fees, Costs and Expenses. Except as otherwise provided in Section 7.5, whether or not the Merger is consummated, all expenses (including those payable to counsel, accountants, investment bankers, experts and consultants to a party hereto and its Affiliates) incurred by any Party or on its behalf (collectively, "Expenses") in connection with this Agreement and the Transactions shall be paid by the Party incurring such Expenses.

Section 5.16 Takeover Statutes. If any Takeover Statute is or may become applicable to the Transactions, each of Parent and the Company shall take all necessary lawful action to ensure that such Transactions may be consummated as promptly as practicable on the terms and subject to the conditions set forth in this Agreement and otherwise act to eliminate or minimize the effects of such Takeover Statute.

Section 5.17 Defense of Litigation. The Company shall not settle or offer to settle any Legal Action against the Company, any of its Subsidiaries or any of their respective present or former directors or officers by any stockholder of the Company arising out of or relating to this Agreement or, the Transactions without the prior written consent of Parent. The Company shall not cooperate with any Person that may seek to restrain, enjoin, prohibit or otherwise oppose the Transactions, and the Company shall consider in good faith Parent's advice and recommendations with respect to any such effort to restrain, enjoin, prohibit or otherwise oppose the Transactions.

Section 5.18 Go Shop(a). Notwithstanding anything to the contrary contained in this Agreement (including in Section 5.4), during the period beginning on the date of this Agreement and continuing until 11:59 p.m. Eastern time on July 12, 2022 (such period of time, the "Go-Shop Period"), the Company and its Subsidiaries and their respective Representatives shall have the right to (and may without restriction hereunder but subject to compliance with the terms of this Agreement): (a) solicit, initiate, propose, induce the making or submission of, encourage or facilitate in any way any offer or proposal that constitutes, or could reasonably be expected to lead to, a Takeover Proposal, including by providing information (including non-public information and data) relating to the Company and any of its Subsidiaries and affording access to the businesses, properties, assets, books, records or other non-public information, or to any personnel, of the Company and its Subsidiaries to any Person (and its Representatives, including potential financing sources of such Person) that has entered into an Acceptable Confidentiality Agreement; *provided*, that the Company shall provide Parent and Merger Sub (and their Representatives, including financing sources) with access to any information or data that is provided to any Person given such access that was not previously made available (whether prior to or after the execution of this Agreement) to Parent or Merger Sub substantially concurrently with the time it is provided to such Person; and (b) continue, enter into, engage in or otherwise participate in any discussions or negotiations with any Person (and their respective Representatives, including potential financing sources of such Person) regarding any Takeover Proposals (or inquiries, offers or proposals or any other effort or attempt that could reasonably be expected to lead to a Takeover Proposal), and cooperate with or assist or participate in, or facilitate in any way, any such inquiries, offers, proposals, discussions or negotiations or any effort or attempt to make any Takeover Proposals or other proposals that could reasonably be expected to lead to Takeover Proposals, including by granting a waiver, amendment or release under any pre-existing "standstill" or other similar provision to the extent necessary to allow for a Takeover Proposal or amendment to a Takeover Proposal to be made confidentially to the Company, the Special Committee or the Company Board. The Company shall notify Parent that it has entered into an Acceptable Confidentiality Agreement within 24 hours after the execution thereof.

Section 5.19 Section 16 Matters. The Company Board (or a committee thereof consisting of non-employee directors) shall, prior to the Effective Time, take all such actions as may be necessary or appropriate to cause any dispositions of equity securities of the Company (including deemed dispositions or cancellations and any derivative securities with respect to any equity securities of the Company) in connection with the Transactions by any individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company to be exempt under Rule 16b-3 promulgated under the Exchange Act, to the extent permitted by applicable Law.

Section 5.20 Written Consent(a). As promptly as possible within forty-eight (48) hours following the execution of this Agreement, Parent shall, as the sole stockholder of Merger Sub, execute and deliver, in accordance with applicable Law and the Organizational Documents of Merger Sub, a written consent adopting this Agreement.

ARTICLE VI
CONDITIONS

Section 6.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each of the Parties to effect the Merger is subject to the satisfaction or waiver or prior to the Closing Date of each of the following conditions:

(a) Requisite Stockholder Approval. The Requisite Company Vote shall have been obtained.

(b) Unaffiliated Stockholder Approval. The Unaffiliated Stockholder Approval shall have been obtained.

(c) Injunctions. No Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Laws or Orders (whether temporary, preliminary or permanent) that restrain, enjoin or otherwise prohibit consummation of the Transactions, and no Governmental Entity shall have instituted any proceeding seeking any such Laws or Orders.

Section 6.2 Conditions to Obligations of Parent and Merger Sub. The obligations of each of Parent and Merger Sub to effect the Merger are also subject to the satisfaction or waiver by Parent on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of the Company. The representations and warranties of the Company (i) set forth in Article III shall be true and correct as though made on and as of the Closing Date, except for representations or warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, does not constitute a Company Material Adverse Effect, and (ii) set forth in Section 3.15(b) shall be true and correct in all respects as though made on and as of the Closing Date.

(b) Performance of Obligations by the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Company Officer's Certificate. Parent shall have received a certificate signed by the chief executive officer or chief financial officer of the Company, certifying as to the matters set forth in Section 6.2(a) and Section 6.2(b).

Section 6.3 Conditions to Obligation of the Company. The obligation of the Company to effect the Merger is also subject to the satisfaction or waiver by the Company on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of Parent and Merger Sub. The representations and warranties of each of Parent and Merger Sub set forth in Article IV shall be true and correct as though made on and as of the Closing Date, except for representations or warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, except where the failure of any such representation or warranty to be so true and correct would not, individually or in the aggregate, prevent, materially impede or materially delay the consummation of the Transactions or the payment of the Per Share Merger Consideration.

(b) Performance of Obligations by Parent and Merger Sub. Each of Parent and Merger Sub shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Parent Officer's Certificate. The Company shall have received a certificate, signed by the chief executive officer or chief financial officer of Parent, certifying as to the matters set forth in Section 6.3(a) and Section 6.3(b).

Section 6.4 Frustration of Closing Conditions. None of the Parties may rely on the, failure of any condition set forth in this Article VI to be satisfied if such failure was caused by such Party's failure to use commercially reasonable efforts to consummate the Transactions.

ARTICLE VII
TERMINATION; AMENDMENT; WAIVER

Section 7.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Effective Time, whether before or after the Requisite Company Vote shall have been obtained, by mutual written consent of Parent and the Company (acting upon the recommendation of the Special Committee).

Section 7.2 Termination by Either Parent or the Company. This Agreement may be terminated by either Parent or the Company (acting upon the recommendation of the Special Committee) at any time prior to the Effective Time:

(a) if the Merger has not been consummated by December 9, 2022 (the "Outside Date"), except that: (i) the right to terminate this Agreement under this Section 7.2(a) shall not be available to any Party whose failure to fulfill any of its obligations has been a principal cause of, or resulted in, the failure to consummate the Merger by such date; and (ii) the right to terminate this Agreement under this Section 7.2(a) shall not be available to the Company or Parent during the pendency of any Legal Action by a Party for specific performance of this Agreement as provided by Section 8.14 and the Outside Date shall be automatically extended to (A) the tenth (10^{th}) Business Day after the dismissal, settlement or entry of a final non-appealable Order with respect to such Legal Action or (B) such other time period established by the court presiding over such Legal Action;

(b) if any Laws effected after the date of this Agreement shall prohibit consummation of the Merger;

(c) if (i) any Orders issued by a court of competent jurisdiction shall restrain, enjoin or otherwise prohibit consummation of the Merger, and (ii) such Orders shall have become final and non-appealable; or

(d) if the Requisite Company Vote shall not have been obtained at the Company Stockholders Meeting (or at any adjournment or postponement thereof) held in accordance with this Agreement.

Section 7.3 Termination by Parent. This Agreement may be terminated by Parent at any time prior to the Effective Time:

(a) if, prior to the time the Requisite Company Vote is obtained, the Company Board (acting upon the recommendation of the Special Committee) fails to make, withdraws, modifies or amends in any manner adverse to Parent, the Company Board Recommendation;

(b) if (i) the Special Committee or the Company Board (acting upon the recommendation of the Special Committee) approves, endorses or recommends a Superior Proposal, (ii) a tender offer or exchange offer for any outstanding shares of capital stock of the Company is commenced and the Special Committee or the Company Board (acting upon the recommendation of the Special Committee) fails to recommend against acceptance of such tender offer or exchange offer by its stockholders (for purposes hereof, taking of no position with respect to the acceptance of such tender offer or exchange offer by its stockholders shall constitute a failure to recommend against acceptance of such tender offer or exchange offer) or (iii) the Company (acting upon the recommendation of the Special Committee), the Special Committee or the Company Board (acting upon the recommendation of the Special Committee) publicly announces its intention to do any of the foregoing;

(c) if the Special Committee or the Company Board (acting upon the recommendation of the Special Committee) exempts any Person other than the Parent or any of its Affiliates from the provisions of Section 203 of the DGCL; or

(d) if the Company shall have breached any of its representations, warranties, covenants or agreements contained in this Agreement, which breach (i) would give rise to the failure of a condition set forth in Section 6.2(a) or Section 6.2(b) and (ii) has not been cured by the Company within thirty (30) Business Days after the Company's receipt of written notice of such breach from Parent; *provided*, that Parent shall not have a right to terminate this Agreement pursuant to this Section 7.3(d) if Parent or Merger Sub is then in material breach of any representation, warranty, agreement or covenant contained in this Agreement.

Section 7.4 Termination by the Company. This Agreement may be terminated by the Company prior to obtaining the Requisite Company Vote:

(a) if the Company Board shall have authorized the Company to enter into an Alternative Acquisition Agreement in compliance with the terms of this Agreement; or

(b) if the Special Committee shall determine that Parent shall have breached any of its representations, warranties, covenants or agreements contained in this Agreement, which breach (i) would give rise to the failure of a condition set forth in Section 6.3(a) or Section 6.3(b) and (ii) has not been cured by Parent within thirty (30) Business Days after Parent's receipt of written notice of such breach from the Company; *provided*, that the Company shall not have a right to terminate this Agreement pursuant to this Section 7.4(b) if the Company is then in material breach of any representation, warranty, agreement or covenant contained in this Agreement.

Section 7.5 Effect of Termination. If this Agreement is terminated pursuant to this Article VII, it shall, to the fullest extent permitted by applicable Laws, become void and of no further force and effect, with no liability on the part of any Party (or any partner, stockholder, director, officer, employee, agent or representative of any such Party), except that if such termination results from fraud or the willful failure of any Party to perform its obligations under this Agreement, then such Party shall be fully liable for any Liabilities incurred or suffered by the other Parties as a result of such failure or breach. In determining Liabilities recoverable upon termination by a Party for the other Party's breach, such Liabilities shall not be limited to reimbursement of expenses or out-of-pocket costs and may include the benefit of the bargain lost by such Party or, in the case of the Company, the holders of Company Common Stock, which shall be deemed to be damages payable to such Party. The provisions of this Section 7.5, Section 7.6 and Article VIII shall survive any termination of this Agreement.

Section 7.6 Fees and Expenses Following Termination.

(a) Except as set forth in this Section 7.6 or in Section 7.5, all Expenses incurred in connection with this Agreement and the Merger and the other transactions contemplated by this Agreement shall be paid in accordance with the provisions of Section 5.15.

(b) The Company shall pay, or cause to be paid, to Parent by wire transfer of immediately available funds the sum of (i) an amount equal to the Expenses of Parent up to a maximum of $1,000,000 (such clause (i), the "Expenses Reimbursement") and (ii) $1,500,000 (such clause (ii), the "Termination Fee") if:

(i) this Agreement is validly terminated by the Company pursuant to Section 7.4(a), in which case, payment shall be made concurrently with such termination; provided that the Company shall not be required to pay the Termination Fee if such termination pursuant to Section 7.4(a) occurs during the Go-Shop Period or such termination pursuant to Section 7.4(a) occurs after the Go-Shop Period to enter into an Alternative Acquisition Agreement with an Excluded Party;

(ii) this Agreement is validly terminated by the Parent pursuant to Section 7.3(a), Section 7.3(b) or Section 7.3(c), in which case, payment shall be made within two (2) Business Days of such termination; or

(iii) (A) a Takeover Proposal shall have been made or proposed to the Company or its stockholders or publicly announced (whether or not conditional and whether or not withdrawn) prior to the valid termination of this Agreement, (B) this Agreement is validly terminated by either Parent or the Company pursuant to Section 7.2(a) or Section 7.2(d), and (C) within twelve (12) months of the date of such termination, the Company or any of its Subsidiaries enters into a binding Contract providing for the implementation of the Takeover Proposal that was publicly announced prior to the termination of this Agreement.

(c) The Company acknowledges that (i) the agreements contained in this Section 7.6 are an integral part of the Merger and the other transactions contemplated by this Agreement and (ii) without these agreements, Parent and Merger Sub would not have entered into this Agreement. Accordingly, if the Company fails to pay when due any amounts required to be paid by it pursuant to this Section 7.6 and, in order to obtain such payment, Parent commences a Legal Action which results in a judgment against the Company for such amounts, then, in addition to the amount of such judgment, the Company shall pay to Parent an amount equal to the fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred by Parent in connection with such Legal Action, together with interest from the date of termination of this Agreement on all amounts so owed at the prime rate as published in the *Wall Street Journal* in effect on the date such payment was required to be made plus three percent (3%).

(d) If the Company is required pursuant to Section 7.6(b) to pay the Expenses Reimbursement and, if applicable, the Termination Fee, Parent's receipt of the Expenses Reimbursement and, if applicable, the Termination Fee shall be the sole and exclusive remedy (whether at law, in equity, in contract, tort or otherwise) of Parent, Merger Sub and their Affiliates, as applicable, against the Company, the Company Subsidiaries, the direct or indirect stockholders of the Company or any of their respective Affiliates or Representatives (the"Company Parties") for (x) any losses, Liabilities, payments, or damages suffered as a result of the failure of the Merger to be consummated and (y) any other losses, Liabilities, payments, or damages suffered as a result of or under this Agreement and the Transactions, and upon payment of the Expenses Reimbursement and, if applicable, the Termination Fee in accordance with Section 7.6(b), none of the Company Parties shall have any further liability or obligation relating to or arising out of this Agreement or the transactions contemplated by this Agreement; provided that the foregoing shall not impair the rights of Parent and Merger Sub, if any, to obtain specific performance and injunctive and other equitable relief pursuant to Section 8.14 prior to any valid termination of this Agreement or to challenge the right of the Company to terminate this Agreement.

Section 7.7 Amendment. This Agreement may be amended by the Parties by an instrument in writing signed by each of the Parties.

Section 7.8 Extension; Waiver. At any time prior to the Effective Time, each of the Parties may (a) extend the time for the performance of any of the obligations of any other Party, (b) waive any inaccuracies in the representations and warranties of any other Party contained in this Agreement or in any document delivered under this Agreement or (c) subject to applicable Laws, waive compliance with any of the covenants or conditions contained in this Agreement. Any agreement on the part of any Party to any extension or waiver shall be valid only if set forth in an instrument in writing signed by such Party. The failure of any Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

Section 7.9 Procedure for Termination, Amendment, Extension or Waiver. Notwithstanding anything to the contrary in this Agreement, (a) any termination or amendment of this Agreement shall require the prior approval of that action by the Party seeking to terminate or amend this Agreement by, if such Party is the Company, the Special Committee, if such Party is Parent, the General Partner (as defined in the Parent LPA) and if such Party is Merger Sub, the board of directors of Merger Sub; *provided*, *however*, that any amendment of this Agreement made subsequent to the adoption of this Agreement by the stockholders of the Company shall not (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of capital stock of the Company, (ii) alter or change any term of the certificate of incorporation of the Surviving Corporation to be effected by Merger or (iii) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of shares of capital stock of the Company and (b) any extension or waiver of any obligation under this Agreement or condition to the consummation of this Agreement shall require the prior approval of the Party entitled to extend or waive that obligation or condition by, if such Party is the Company, the Special Committee, if such Party is Parent, the General Partner (as defined in the Parent LPA) and if such Party is Merger Sub, the board of directors of Merger Sub.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Certain Definitions. For purposes of this Agreement:

(a) "Acceptable Confidentiality Agreement" means a confidentiality agreement with terms and conditions customary for transactions of such type that is no less favorable in the aggregate to the Company than the confidentiality provisions contained in the Management Services Agreement (but need not contain any standstill provision).

(b) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with, such first Person; *provided*, *however*, that notwithstanding anything in this definition to the contrary, the Company shall not be an "Affiliate" of Parent and Parent shall not be an "Affiliate" of the Company. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

(c) "Book-Entry Share" means each book-entry account representing any non-certificated Eligible Shares.

(d) "Business Day" means any day, other than Saturday, Sunday or a federal holiday, and shall consist of the time period from 12:01 a.m. through 12:00 midnight Eastern time.

(e) "Certificate of Amendment" means the Certificate of Amendment proposed to be filed with the Secretary of State of the State of Delaware to amend the Company's Certificate of Incorporation in the form attached hereto as Exhibit B.

(f) "Company Material Adverse Effect" means any Effect which, individually or together with any one or more other Effects has had or would reasonably be expected to have a material adverse effect on (A) the business, assets, properties, liabilities, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, or (B) the ability of the Company to timely perform its obligations under this Agreement or consummate the Merger by the Outside Date; provided that "Company Material Adverse Effect" excludes any Effect arising out of or resulting from any of the following: (i) general business, financial, credit, political or economic conditions in the United States (or changes therein); (ii) acts of war (whether or not declared), sabotage, terrorism, military actions, or the escalation thereof; (iii) changes in applicable accounting rules, including GAAP (or any authoritative interpretation thereof); (iv) any change in Law (or any authoritative interpretation thereof); (v) Covid-19 and any other disease outbreaks, epidemics, pandemics, or public health emergencies (as declared by the World Health Organization or the Health and Human Services Secretary of the United States); (vi) conditions generally affecting companies in the same business as the Company; (vii) any failure, in and of itself, by the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been, or is reasonably expected to be, a Company Material Adverse Effect, to the extent permitted by this definition), (viii) any change, in and of itself, in the market price or trading volume of the Company's securities or in its credit ratings (it being understood that the facts or occurrences giving rise to or contributing to such change may be deemed to constitute, or be taken into account in determining whether there has been, or is reasonably expected to be, a Company Material Adverse Effect, to the extent permitted by this definition), (ix) natural disasters, (x) any actions required to be taken or not taken by the Company or any of its Subsidiaries pursuant to this Agreement or with Parent's prior written consent; provided, that the foregoing clauses (i) - (vi) shall be considered in determining whether a "Company Material Adverse Effect" has occurred to the extent that such effect has a disproportionate adverse impact on the Company as compared to other companies in the same business as the Company.

(g) "Company Restricted Share" means each share of restricted Common Company Stock issued by the Company pursuant to, or otherwise governed by, any Company equity incentive plan that vests solely upon the continued service of the holder over a specified period of time, pursuant to which the holder has a right to retain such share of Company Common Stock after the vesting or lapse of restrictions applicable to such share.

(h) "Company Series A Junior Participating Preferred Stock" means the Series A Junior Preferred Stock, par value $0.01 per share, of the Company.

(i) "Company Series C Preferred Stock" means the Series C Preferred Stock, par value $0.01 per share, of the Company.

(j) "Company Series D Junior Participating Preferred Stock" means the Series D Junior Preferred Stock, par value $0.01 per share, of the Company.

(k) "Contracts" means any contracts, agreements, notes, bonds, mortgages, indentures, commitments, leases or other instruments or obligations.

(l) "COVID-19" means SARS-CoV-2 or COVID-19.

(m) "COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, safety or similar Law, directive, restrictions, guidelines, responses or recommendations of or promulgated by any Governmental Entity, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to COVID-19 and any evolutions or mutations thereof or related or associated epidemic, plague, pandemic or outbreak of illness or public health event.

(n) "Effect" means any event, occurrence, fact, condition, change, development, circumstance or effect or cause thereof.

(o) "Eligible Shares" means shares of Company Common Stock issued and outstanding immediately prior to the Effective Time, other than the Excluded Shares.

(p) "Excluded Party" shall mean any Person from which the Company or its Representatives received during the Go-Shop Period a bona fide written Takeover Proposal that remains pending as of, and shall not have been withdrawn prior to, the expiration of the Go-Shop Period; *provided*, that any such Person shall cease to be an Excluded Party upon the earliest to occur of the following: (i) such Person's Takeover Proposal is withdrawn, terminated or expires; and (ii) the Special Committee determines, based on the information then available and after consultation with the Company Financial Advisor, that such Takeover Proposal no longer constitutes a Superior Proposal or is no longer reasonably likely to lead to a Superior Proposal.

(q) "Fully Diluted Share Amount" means the total number of shares of Company Common Stock outstanding as of immediately prior to the Effective Time, excluding shares of Company Common Stock issuable upon conversion of the shares of Company Series C Preferred Stock outstanding as of immediately prior to the Effective Time.

(r) "Hazardous Substances" means: (i) any substance that is listed, classified or regulated under any Environmental Laws; (ii) any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, radioactive material or radon; or (iii) any other substance that is or may become the subject of regulatory action under any Environmental Laws.

(s) "Intervening Event" means any Effect that materially affects the business, assets or operations of the Company and its Subsidiaries, taken as a whole, and that (i) was not known to, or reasonably foreseeable by, the Company as of the date of this Agreement (or, if known or reasonably foreseeable as of the date of this Agreement, the material consequences of which were not known to, or reasonably foreseeable by, the Company as of the date of this Agreement), which Effect, or the material consequences thereof, becomes known to, or reasonably foreseeable by, the Company prior to the time the Requisite Company Vote is obtained and (ii) does not involve or relate to (a) a Takeover Proposal, (b) any changes in the market price or trading volume of the Company, (c) any changes in the Company's credit ratings, or (d) the Company meeting, failing to meet, or exceeding published or unpublished revenue or market consensus earnings projections, in each case in and of itself; *provided*, that the underlying causes of any of the changes referred to in the foregoing clauses (b), (c) and (d) may be considered and taken into account for determining whether an Intervening Event has occurred to the extent not otherwise excluded from this definition.

(t) "Knowledge" means, when used with respect to Parent or the Company, the knowledge of the Chief Executive Officer or Chief Financial Officer of the Company or Parent, as the case may be.

(u) "Laws" means any domestic or foreign laws, statutes, ordinances, rules, regulations, codes or executive orders enacted, issued, adopted, promulgated or applied by any Governmental Entity.

(v) "Liens" means any liens, pledges, security interests, claims, options, rights of first offer or refusal, charges or other encumbrances.

(w) "ModusLink" means ModusLink Corporation.

(x) "ModusLink Assets" means the assets owned by ModusLink or its Subsidiaries as of the date of the ModusLink CVR Agreement, regardless of where such assets may be situated, and changes in such assets occurring after the date hereof.

(y) "ModusLink CVR Payment Amount" means (i) the ModusLink Net Sale Proceeds, divided by (ii) the Fully Diluted Share Amount; provided, however, that a ModusLink CVR Payment Amount would in no event result from a related party transaction or restructuring that results in a direct or indirect transfer of ModusLink Assets, but would include a subsequent sale to a third party of such ModusLink Assets.

(z) "ModusLink Net Sale Proceeds" means an amount (which shall not be less than zero) equal to (i) the Fair Market Value (as such terms in defined in the ModusLink CVR Agreement) of the aggregate amount of gross proceeds received by the Company, Parent or any of their Affiliates in connection with one or more ModusLink Sales (as such terms in defined in the ModusLink CVR Agreement) that are consummated within twenty four (24) months of the Effective Time plus (ii) the amount of any cash retained by the Company or its Subsidiaries that would otherwise have been included in the ModusLink Assets, minus (iii) an amount equal to (x) $80,000,000 plus (y) the ModusLink Sale Expenses (as such terms in defined in the ModusLink CVR Agreement); provided, that in the event the ModusLink Net Sale Proceeds for a given Partial ModusLink Sale do not exceed $80,000,000, such ModusLink Net Sale Proceeds shall be included in clause (i) of this calculation in addition to each subsequent ModusLink Sale; provided, further, that if any contingent or deferred compensation or earn-out is payable in respect of any ModusLink Sale, such amount shall be included in the calculation of "ModusLink Net Sale Proceeds" only upon actual receipt by the Company, Parent or any of their Affiliates.

(aa) "Orders" means any orders, judgments, injunctions, awards, decrees or writs handed down, adopted or imposed by any Governmental Entity.

(bb) "Parent Parties" means Steel Partners Holdings L.P., Steel Partners Holdings GP Inc., and the directors and officers of Steel Partners Holdings GP Inc.

(cc) "Person" means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, Governmental Entity and other entity and group (which term shall include a "group" as such term is defined in Section 13(d)(3) of the Exchange Act).

(dd) "Requisite Company Vote" means the Common Stockholder Approval and the Preferred Stockholder Approval.

(ee) "Solvent" means, when used with respect to any Person, that, as of the date of determination, (i) the amount of the "fair saleable value" of the assets of such Person will, as of such date, exceed (A) the value of all "liabilities of such person, including contingent and other liabilities," as of such date, as such quoted terms are generally determined in accordance with applicable Laws governing determinations of the insolvency of debtors and (B) the amount that will be required to pay the probable liabilities of such Person as such debts become absolute and mature, (ii) such Person will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged following such date and (iii) such Person will be able to pay its liabilities as they mature.

(ff) "Subsidiary" means, when used with respect to Parent or the Company, any other Person that Parent or the Company, as applicable, directly or indirectly owns or has the power to vote or control fifty percent (50%) or more of any other class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of such Person; *provided*, *however*, that, notwithstanding the foregoing to the contrary, the Company shall not be a "Subsidiary" of Parent.

(gg) "Superior Proposal" means a *bona fide*, written and, except as permitted by Section 5.18, unsolicited Takeover Proposal involving a merger, an offer to acquire a substantial equity interest of the Company or a substantial portion of the Company Assets, or a recapitalization or restructuring of the Company (i) on terms and conditions more favorable from a financial point of view to the stockholders of the Company than those contemplated by this Agreement, (ii) the conditions to the consummation of which are all reasonably capable of being satisfied without delay, (iii) for which financing, to the extent required, is then committed or reasonably likely to be available and (iv) which was not made in violation of any standstill or similar agreement to which the Company is a party.

(hh) "Tail Period" means the six years from and after the Effective Time.

(ii) "Takeover Proposal" means any proposal or offer relating to (i) a merger, consolidation, share exchange or business combination involving the Company or any of its Subsidiaries, (ii) a sale, lease, exchange, mortgage, transfer or other disposition, in a single transaction or series of related transactions, of fifteen percent (15%) or more of the assets of the Company and its Subsidiaries, taken as a whole, (iii) a purchase or sale of shares of capital stock or other securities, in a single transaction or a series of related transactions, representing fifteen percent (15%) or more of the voting power of the capital stock of Company or any of its Subsidiaries, including by way of a tender offer or exchange offer, (iv) a reorganization, recapitalization, liquidation or dissolution of the Company or any of its Subsidiaries or (v) any other transaction having a similar effect to those described in clauses (i) - (iv), in each case, other than the Transactions.

(jj) "Unaffiliated Stockholder Approval" means the adoption of this Agreement by the affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock not owned, directly or indirectly, by the Parent Parties, any other officers or directors of the Company, or any other Person having any equity interest in, or any right to acquire any equity interest in, Merger Sub or any Person of which Merger Sub is a direct or indirect Subsidiary.

Section 8.2 Interpretation. The table of contents and headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement. Definitions shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references in this Agreement to Articles, Sections and Exhibits shall refer to Articles and Sections of, and Exhibits to, this Agreement unless the context shall require otherwise. The words "include," "includes" and "including" shall not be limiting and shall be deemed to be followed by the phrase "without limitation." Unless the context shall require otherwise, any agreements, documents, instruments or Laws defined or referred to in this Agreement shall be deemed to mean or refer to such agreements, documents, instruments or Laws as from time to time amended, modified or supplemented, including (a) in the case of agreements, documents or instruments, by waiver or consent and (b) in the case of Laws, by succession of comparable successor statutes. All references in this Agreement to any particular Law shall be deemed to refer also to any rules and regulations promulgated under that Law.

Section 8.3 Survival. The representations, warranties, covenants and agreements in this Agreement and in any certificate delivered under this Agreement shall terminate at the earlier of the Effective Time and upon the valid termination of this Agreement under Article VII, except that the agreements set forth in Article I and Article II and Section 5.8(b), Section 5.11, and this Article VIII shall survive the Effective Time, those set forth in Section 7.5, Section 7.6 and this Article VIII shall survive termination of this Agreement. This Section 8.3 shall not limit any covenant or agreement of a Party which, by its terms, contemplates performance after the Effective Time.

Section 8.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to the Laws that might otherwise govern under applicable principles of conflicts of law.

Section 8.5 Submission to Jurisdiction. To the fullest extent permitted by applicable Laws, each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court of Chancery of the State of Delaware or, to the extent that the Court of Chancery of the State of Delaware is found to lack jurisdiction, then the Superior Court of the State of Delaware or, to the extent that both of the aforesaid courts are found to lack jurisdiction, then the United States District Court of the District of Delaware (collectively with any appellate courts thereof, the "Courts"), in any Legal Actions directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or the Transactions or thereby or to interpret, apply or enforce this Agreement, any document or certificate contemplated by this Agreement or the Transactions or for recognition or enforcement of any judgment relating thereto, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such Legal Actions except in the Courts, (b) agrees that any claim in respect of any such Legal Actions may be heard and determined in the Courts, (c) waives any objection which it may now or hereafter have to the laying of venue of any such Legal Actions in the Courts and (d) waives the defense of an inconvenient forum to the maintenance of any such Legal Actions in the Courts. To the fullest extent permitted by applicable Laws, each of the Parties agrees that a final judgment in any such Legal Actions shall be conclusive and may be enforced in other jurisdictions by Legal Actions on the judgment or in any other manner provided by applicable Law. Each of the Parties irrevocably consents to service of process in the manner provided for notices in Section 8.7 or in any other manner permitted by applicable Laws.

Section 8.6 Waiver of Jury Trial. Each of the Parties acknowledges and agrees that any controversy directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or the Transactions is likely to involve complicated and difficult issues and, therefore, it irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any Legal Actions directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or the Transactions. Each of the Parties certifies and acknowledges that (a) no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of any Legal Actions, seek to enforce the foregoing waiver, (b) such Party has considered the implications of this waiver, (c) such Party makes this waiver voluntarily and (d) such Party has been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section 8.6.

Section 8.7 Notices. All notices, requests, instructions, consents, claims, demands, waivers, approvals and other communications to be given or made hereunder by one or more Parties to one or more of the other Parties shall, unless otherwise specified herein, be in writing and shall be deemed to have been duly given or made on the date of receipt by the recipient thereof if such day is a Business Day (or otherwise on the next succeeding Business Day) if (a) personally delivered or by an internationally recognized overnight courier service upon the Party or Parties for whom it is intended, (b) delivered by registered or certified mail, return receipt requested or (c) sent by email; provided, that notice given by email shall not be effective unless either (i) a duplicate copy of such email notice is promptly given by one of the other methods described in this Section 8.7 or (ii) the receiving party delivers a written confirmation of receipt of such notice by email or any other method described in this Section 8.7. Such communications must be sent to the respective Parties at the following street addresses or email addresses or at such other street address or email address for a Party as shall be specified for such purpose in a notice given in accordance with this Section 8.7.

If to Parent or Merger Sub, to:

Steel Partners Holdings L.P.
590 Madison Avenue, 32nd Floor
New York, New York, 10022
Attention: ***
Email: ***

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

Greenberg Traurig, LLP
333 SE 2nd Avenue, Suite 4400
Miami, FL 33131
Attention: Alan I. Annex and Brian H. Blaney
Email: annexa@gtlaw.com and blaneyb@gtlaw.com

If to the Company, to:

Steel Connect, Inc.
2000 Midway Ln
Smyrna, Tennessee, 37167
Attention: ***
Email: ***

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

Dentons US LLP
22 Little W 12th Street
New York, NY 10014
Attention: Victor H. Boyajian, Ira L. Kotel, and Ilan Katz
Email: Victor.boyajian@us.dentons.com,
ira.kotel@dentons.com, and ilan.katz@dentons.com

and

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Attention: Colin J. Diamon, Andrew J. Ericksen, Adam Cieply
Email: cdiamond@whitecase.com; aj.ericksen@whitecase.com; adam.cieply@whitecase.com

or to such other Persons or addresses as may be designated in writing by the Person entitled to receive such communication as provided above.

Section 8.8 Entire Agreement. This Agreement (including exhibits to this Agreement) and the Company Disclosure Letter constitute the entire agreement and supersede all other prior agreements, understandings, representations and warranties, both written and oral, among the Parties with respect to the subject matter of this Agreement. No representation, warranty, inducement, promise, understanding or condition not set forth in this Agreement has been made or relied upon by any of the Parties.

Section 8.9 No Third-Party Beneficiaries. This Agreement is not intended to confer upon any Person other than the Parties any rights or remedies; provided, however, that, notwithstanding the foregoing, the Indemnified Persons are intended third-party beneficiaries of, and may enforce, Section 5.11.

Section 8.10 Severability. To the fullest extent permitted by applicable Laws, the provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability or the other provisions of this Agreement. If any provision of this Agreement, or the application of that provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted for that provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of the invalid or unenforceable provision and (b) the remainder of this Agreement and the application of the provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of the provision, or the application of that provision, in any other jurisdiction.

Section 8.11 Rules of Construction. The Parties have been represented by counsel during the negotiation and execution of this Agreement and waive the application of any Laws or rule of construction providing that ambiguities in any, agreement or other document shall be construed against the Party drafting such agreement or other document to the fullest extent permitted by applicable Laws.

Section 8.12 Assignment. This Agreement shall not be assignable by operation of law or otherwise, except that Parent may designate, by written notice to the Company, a Subsidiary that is wholly-owned by Parent to be merged with and into the Company in lieu of Merger Sub, in which event all references in this Agreement to Merger Sub shall, to the fullest extent permitted by applicable Laws, be deemed references to such Subsidiary, and in that case, all representations and warranties made in this Agreement with respect to Merger Sub as of the date of this Agreement shall be deemed representations and warranties made with respect to such Subsidiary as of the date of such designation. Any purported assignment in violation of this Section 8.12 shall be null and void.

Section 8.13 Remedies. Except as otherwise provided in this Agreement, any and all remedies expressly conferred upon a Party shall be cumulative with and not exclusive of any other remedy contained in this Agreement, at law or in equity and the exercise by a Party of any one remedy shall not preclude the exercise of any other remedy.

Section 8.14 Specific Performance. The Parties acknowledge and agree that (a) irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and (b) monetary damages would both be incalculable and an insufficient remedy for such failure or breach. It is accordingly agreed that, in addition to any other remedy they are entitled to at law or in equity, each of the Parties shall, to the fullest extent permitted by applicable Laws, be entitled to specific performance and the issuance of immediate injunctive and other equitable relief to prevent breaches of this Agreement and to specifically enforce the terms and provisions hereof in the Courts, without the necessity of proving the inadequacy of money damages as a remedy, and, to the fullest extent permitted by applicable Laws, the Parties further waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties are entitled at Law or in equity. Each of the Parties further agrees, to the fullest extent permitted by applicable Laws, that in the event of any action for specific performance in respect of such breach or violation, it will not assert the defense that a remedy at law would be adequate or that the consideration reflected in this Agreement was inadequate or that the terms of this Agreement were not just and reasonable.

Section 8.15 Counterparts; Effectiveness. To the fullest extent permitted by applicable Laws, this Agreement and any document or certificate contemplated by this Agreement may be executed and delivered, including by e-mail of an attachment in Adobe Portable Document Format or other file format based on common standards ("Electronic Delivery"), in any number of counterparts, and in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Any such counterpart, to the extent delivered using Electronic Delivery shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in-person. To the fullest extent permitted by applicable Laws, none of the Parties shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or this Agreement or any document or certificate contemplated by this Agreement was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each forever waives any such defense, except to the extent that such defense relates to lack of authenticity. This Agreement shall become effective when each Party shall have received counterparts signed by all of the other Parties.

Section 8.16 Special Committee. Notwithstanding anything to the contrary set forth in this Agreement (but subject to the provisions of this Section 8.16), until the Effective Time, (a) the Company may take the following actions only with the prior approval or recommendation of the Special Committee: (i) amending, restating, modifying or otherwise changing any provision of this Agreement; (ii) waiving any right under this Agreement or extending the time for the performance of any obligation of Parent or Merger Sub under this Agreement; (iii) terminating this Agreement; (iv) taking any action under this Agreement that expressly requires the approval of the Special Committee; (v) making any decision or determination, or taking any action under or with respect to this Agreement or the transactions contemplated hereby, that would reasonably be expected to be, or is required to be, approved, authorized, ratified or adopted by the Company Board; (vi) granting any approval or consent for, or agreement to, any item for which the approval, consent or agreement of the Company is required under this Agreement; and (vii) agreeing to do any of the foregoing and (b) no decision or determination shall be made, or action taken, by the Company or by the Company Board under or with respect to this Agreement or the Transactions without first obtaining the approval of the Special Committee. For the avoidance of doubt, (A) any requirement of the Company or the Company Board to obtain the approval of the Special Committee pursuant to this Section 8.16 shall not, and shall not be deemed to, modify or otherwise affect any rights of the Company, or any obligations of the Company to Parent or Merger Sub set forth in this Agreement and (B) in no event shall the Special Committee have the right, power or authority to cause the Company to take any action or matter (other than the election of directors) expressly required by the DGCL to be submitted to the Company's stockholders for approval.

(Signature Page Follows)

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the Parties as of the date first written above.

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc., its general partner

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

SP MERGER SUB, INC.

By: /s/ Gordon A. Walker
Name: Gordon A. Walker
Title: President

STEEL CONNECT, INC.

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer

EXHIBIT B

CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION

OF

STEEL CONNECT, INC.

Steel Connect, Inc. (hereinafter called the "**Corporation**"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

1. The Restated Certificate of Incorporation of the Corporation, as amended, is hereby amended by inserting the following new subparagraph (c) to Section 15 of the Certificate of Designations, Preferences and Rights of the Series C Convertible Preferred Stock of the Corporation filed with the Secretary of State of the State of Delaware on December 15, 2017:

"(c) Reference is hereby made to that certain Agreement and Plan of Merger, by and among Steel Partners Holdings L.P., SP Merger Sub, Inc. and the Corporation (as amended, the "**Merger Agreement**"). Notwithstanding anything to the contrary in this Certificate of Designations, the term "Liquidation Event" as such term is defined in and used in this Certificate of Designations shall not include, nor be deemed to include, the Merger Agreement, the Merger (as defined in the Merger Agreement and hereinafter, the "**Merger**") or the other transactions contemplated by the Merger Agreement, such that (i) at the Effective Time (as defined in the Merger Agreement and hereinafter, the "**Effective Time**"), by virtue of the Merger, each share of Series C Preferred Stock issued and outstanding immediately prior to the Effective Time shall remain outstanding as provided by the Merger Agreement, (ii) no written notice of the Merger Agreement, the Merger or the other transactions contemplated by the Merger Agreement shall be required to be provided to the Holders pursuant to Section 6(e), (iii) no cash distributions shall be made (or be required to be made) to the Holders prior to, upon or immediately following completion of the Merger or the other transactions contemplated by the Merger Agreement and no such closing shall be postponed or cancelled, in each case, pursuant to Section 6(f), (iv) the prior affirmative vote or prior consent of the Majority Holders, voting or consenting separately as a single class, shall not be required by Section 6(g) or Section 14(b)(ii) and (v) no adjustment shall be made pursuant to Section 7(f); provided, however, that nothing in this Section 15(c) shall eliminate, restrict or impair the rights of the Holders provided by Section 13, including, without limitation, the right of the Holders to vote on all matters as to which holders of Common Stock shall be entitled to vote, in the same manner and with the same effect as such holders of Common Stock, voting together with the holders of Common Stock as one class (including, without limitation, with respect to any matter relating to the Merger Agreement, the Merger or the other transactions contemplated by the Merger Agreement, any amendment of the Certificate of Incorporation, any increase or decrease in the number of authorized shares of Common Stock of the Corporation or any other matter subject to the vote or consent of the holders of Common Stock)."

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed and acknowledged this ___ day of _____, 2022.

STEEL CONNECT, INC.

By: _____
Name:
Title:

Exhibit 10.1

VOTING AND SUPPORT AGREEMENT

This VOTING AND SUPPORT AGREEMENT (this "Agreement") is entered into as of June 12, 2022, by and among Steel Connect, Inc., a Delaware corporation (the "Company"), Steel Partners Holdings L.P., a Delaware limited partnership ("Parent"), Handy & Harman Ltd., a Delaware corporation ("Handy"), WHX CS Corp., a Delaware corporation ("WHX"), Steel Partners, Ltd., a Delaware corporation ("SPL"), SPH Group LLC, a Delaware limited liability company ("SPH"), SPH Group Holdings LLC, a Delaware limited liability company ("SPH Holdings"), Steel Partners Holdings GP Inc., a Delaware corporation ("GP"), Steel Excel Inc., a Delaware corporation ("SXL"), Warren G. Lichtenstein, an individual ("Lichtenstein"), and Jack L. Howard, an individual ("Howard", and together with Handy, WHX, SPL, SPH, SPH Holdings, GP, SXL and Lichtenstein, the "Stockholders" and each a "Stockholder").

WHEREAS, Parent, SP Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Parent ("Merger Sub"), and the Company have, concurrently with the execution of this Agreement, entered into an Agreement and Plan of Merger, dated as of the date hereof (as may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "Merger Agreement"), which provides, among other things, for the merger of Merger Sub with and into the Company, with the Company continuing as the surviving corporation and a subsidiary of Parent (the "Merger"), upon the terms and subject to the conditions set forth in the Merger Agreement;

WHEREAS, as of the date hereof, each of the Stockholders is the record owner and/or Beneficial Owner of the number of outstanding shares of Common Stock as set forth in Amendment No. 28 to the Schedule 13D filed by the Stockholders with the U.S. Securities and Exchange Commission on June 1, 2022 (the "Schedule 13D/A"), which is incorporated herein by reference;

WHEREAS, as a condition and inducement to the willingness of the Company to enter into the Merger Agreement and consummate the transactions contemplated thereby, including the Merger, the Company has required that each Stockholder agree, and each Stockholder has agreed, upon the terms and subject to the conditions set forth herein, to enter into this Agreement and abide by the covenants and obligations set forth herein; and

WHEREAS, each Stockholder acknowledges that Parent, the Company and Merger Sub are entering into the Merger Agreement in reliance on the representations, warranties, covenants and other agreements of each Stockholder set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Defined Terms. The following terms, as used in this Agreement, shall have the meanings set forth below. Terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Merger Agreement.

(a) "Additional Shares" means, with respect to each Stockholder, the Common Stock, Preferred Stock or other voting capital stock of the Company that such Stockholder acquires Beneficial Ownership of after the date of this Agreement.

(b) "Beneficial Ownership" by a person of any security includes ownership by any person who, directly or indirectly, through any Contract, arrangement, understanding, relationship or otherwise (whether or not in writing), has or shares: (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition, of such security; and shall otherwise be interpreted in accordance with the term "beneficial ownership" as defined in Rule 13d-3 adopted by the SEC under the Exchange Act. Without duplicative counting of the same securities by the same holder, securities Beneficially Owned by a person will include securities Beneficially Owned by all Affiliates of such person and all other persons with whom such person would constitute a "group" within the meaning of Section 13(d) of the Exchange Act. The terms "Beneficially Own," "Beneficially Owned" and "Beneficial Owner" shall have correlative meanings.

(c) "Common Stock" means the shares of common stock, par value $0.01 per share, of the Company, and will also include for purposes of this Agreement all shares or other voting securities into which shares of Common Stock or such other shares or voting securities may be reclassified, sub-divided, consolidated or converted and any rights and benefits arising therefrom, including any dividends or distributions of securities which may be declared in respect of the shares of common stock and entitled to vote in respect of the matters contemplated by Article II.

(d) "Contemplated Transactions" shall have the meaning set forth in Section 2.1(a).

(e) "Covered Securities" means the Existing Shares and any Additional Shares.

(f) "Existing Shares" means, with respect to each Stockholder, the shares of Common Stock and/or Preferred Stock Beneficially Owned by such Stockholder on the date hereof as listed the Schedule 13D/A.

(g) "Preferred Stock" means the shares of Series C preferred stock, par value $0.01 per share, of the Company, and will also include for purposes of this Agreement all shares or other voting securities into which shares of Preferred Stock or such other shares or voting securities may be reclassified, sub-divided, consolidated or converted and any rights and benefits arising therefrom, including any dividends or distributions of securities which may be declared in respect of the shares of preferred stock and entitled to vote in respect of the matters contemplated by Article II.

(h) "Transfer" means, directly or indirectly, to (i) issue, sell, short, transfer, offer, exchange, assign, pledge, encumber, subject to an Encumbrance, hypothecate or otherwise dispose of (by merger, by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise), either voluntarily or involuntarily, any Covered Securities; (ii) enter into any Contract, option or other agreement with respect to any transactions described in clause (i); or (iii) enter into any swap, hedge, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Covered Securities, whether settled by delivery of Covered Securities, other securities, in cash or otherwise. For purposes of this Agreement, the term "Transfer" shall include the transfer (including by way of sale, disposition, operation of law (including by merger) or any other means) of an Affiliate of any Stockholder or any Stockholder's interest in an Affiliate which Beneficially Owns any Covered Securities. The terms "Transferring", "Transferee", "Transferred" or similar words shall have correlative meanings to Transfer.

ARTICLE II

VOTING; GRANT AND APPOINTMENT OF PROXY

Section 2.1 Voting. From and after the date hereof until the Expiration Time (as defined herein), each Stockholder irrevocably and unconditionally hereby agrees that at the Company Meeting or any other annual or special meeting of the stockholders of the Company, however called, including any adjournment, recess or postponement thereof, or in connection with any written consent of the Company's stockholders and in any other circumstance upon which a vote, consent or approval of all or some of the stockholders of the Company is sought, in each case, with respect to which any of the matters described in clauses (a) through (e) of this Section 2.1 is to be considered, each Stockholder shall, and shall cause any holder of record of its Covered Securities to, unless the Board or any Independent Committee has made a Change in Recommendation that has not been rescinded or otherwise withdrawn, (i) appear, in person or by proxy, at each such meeting or cause its representative(s) to appear at such meeting or otherwise cause its Covered Securities to be counted as present thereat for purposes of determining whether a quorum is present and respond to each request by the Company for written consent, if any, and (ii) vote or cause to be voted, in person or by proxy, or deliver or cause to be delivered a written consent covering, all of such Stockholder's Covered Securities:

(a) in favor of the adoption and approval of the Merger Agreement, and the other transactions contemplated thereby, including the Merger (the "Contemplated Transactions");

(b) in favor of any Alternative Acquisition Agreement approved by the Company Board (acting on the recommendation of the Special Committee, or the Special Committee in accordance with the provisions of Section 5.4(d)(ii) of the Merger Agreement;

(c) against any action, proposal, agreement or transaction that is intended, that could reasonably be expected, or the effect of which could reasonably be expected, to change in any manner the voting rights of any class of shares of the Company or materially impede, interfere with, delay, postpone, frustrate, discourage or adversely affect the timely consummation of the Contemplated Transactions or any Alternative Acquisition Agreement approved as described in Section 2.1(b), or the performance by such Stockholder of its obligations under this Agreement, including, without limitation: (i) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or any of its Subsidiaries (other than the Merger) unless such transaction is previously approved in writing by Parent; (ii) a sale, lease or transfer of a material amount of assets of the Company or any of its Subsidiaries (other than the Merger or any transactions contemplated by the Merger Agreement (or any Alternative Acquisition Agreement approved as described in Section 2.1(b))) or a reorganization, recapitalization or liquidation of the Company or any of its Subsidiaries that is prohibited by the Merger Agreement (or any Alternative Acquisition Agreement approved as described in Section 2.1(b)) unless such transaction is previously approved in writing by Parent; (iii) an election of new members to the Board, other than nominees to the Board who are serving as directors of the Company on the date of this Agreement, except if previously approved in writing by Parent; or (iv) any material change in the present capitalization or dividend policy of the Company or any amendment or other change to the Company's Certificate of Incorporation or Bylaws;

(d) against any action, proposal, transaction or agreement that could reasonably be expected to result in (i) a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company contained in the Merger Agreement (or in any Alternative Acquisition Agreement approved as described in Section 2.1(b)), or of any Stockholder contained in this Agreement or the Merger Agreement, or (ii) any of the conditions to the consummation of the Merger under the Merger Agreement (or the transactions contemplated by any Alternative Acquisition Agreement approved as described in Section 2.1(b)) not being fulfilled; and

(e) in favor of any other action, proposal, transaction or agreement necessary to consummate the Merger and the transactions contemplated by the Merger Agreement (or the transactions contemplated by any Alternative Acquisition Agreement approved as described in Section 2.1(b)).

Section 2.2 Grant of Irrevocable Proxy; Appointment of Proxy.

(a) Effective immediately upon the execution of the Merger Agreement and until the Expiration Time, each Stockholder hereby irrevocably and unconditionally grants a proxy to, and appoints, the Company, as its sole and exclusive proxies and attorney-in-fact (with full power of substitution and resubstitution), for and in such Stockholder's name, place and stead, to vote or cause to be voted (including by execution and delivery of proxies or acting by written consent, if applicable) the Covered Securities in accordance with Section 2.1 hereof at the Company Meeting or other annual or special meeting of the stockholders of the Company, however called, including any postponement or adjournment thereof, or in connection with any action sought to be taken by written consent of the stockholders of the Company without a meeting.

(b) Each Stockholder represents that any proxies heretofore given in respect of such Stockholder's Covered Securities, if any, are revocable, and hereby revokes all such proxies.

(c) Each Stockholder affirms that the irrevocable proxy and power of attorney set forth in this Section 2.2 is given in connection with the execution of the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of such Stockholder under this Agreement and is granted in accordance with the provisions of Section 212 of the DGCL. Each Stockholder further (x) affirms that such irrevocable proxy is (i) coupled with an interest by reason of the Merger Agreement and, (ii) executed and intended to be (and is) irrevocable in accordance with the provisions of Section 212 of the DGCL prior to the Expiration Time and (y) ratifies and confirms all that the proxy holders appointed hereunder may lawfully do or cause to be done in compliance with the express terms hereof. If for any reason the proxy granted herein is not valid, then each Stockholder agrees to vote such Stockholder's Covered Securities in accordance with Section 2.1 hereof prior to the Expiration Time. The parties hereto agree that the foregoing is a voting agreement.

Section 2.3 Restrictions on Transfers.

(a) Each Stockholder hereby agrees that, from the date hereof until the Expiration Time, such Stockholder shall not, without the prior written consent of the Independent Committee, directly or indirectly, (i) Transfer (or cause or permit the Transfer of), either voluntarily or involuntarily, or enter into any Contract, option or other arrangement or understanding with respect to the Transfer of, any Covered Securities or any interest therein, including, without limitation, any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction, collar transaction or any other similar transaction (including any option with respect to any such transaction) or combination of any such transactions, in each case involving any Covered Securities, (ii) deposit any Covered Securities into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with this Agreement, (iii) convert or exchange, or take any action which would result in the conversion or exchange, of any Covered Securities, (iv) take any action that would make any representation or warranty of such Stockholder set forth in this Agreement untrue or incorrect or have the effect of preventing, disabling, or materially delaying such Stockholder from performing any of its obligations under this Agreement, or (v) agree (whether or not in writing) to take any of the actions referred to in the foregoing clauses (i), (ii) (iii) or (iv). Any purported Transfer in violation of this Section 2.3 shall be void and of no force or effect and each Stockholder acknowledges that the Company will not register or permit the registration of or otherwise facilitate or effect any such Transfer.

(b) This Agreement and the obligations hereunder shall attach to the Covered Securities and shall be binding upon any person to which legal or Beneficial Ownership shall pass, whether by operation of Law or otherwise, including, each Stockholder's successors or assigns. Each Stockholder covenants and agrees that it will not request that the Company register the Transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any or all of the Covered Shares, unless such Transfer is made in compliance with this Agreement.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE STOCKHOLDERS

Section 3.1 Representations and Warranties. Each Stockholder represents and warrants to the Company as of the date hereof:

(a) if not a natural person, such Stockholder is a corporation or limited liability company duly organized, validly existing and in good standing (to the extent the relevant jurisdiction recognizes such concept of good standing) under the laws of the jurisdiction of its incorporation and has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted;

(b) such Stockholder has full legal right, power, capacity and authority to execute and deliver this Agreement, to perform such Stockholder's obligations hereunder and to consummate the transactions contemplated hereby;

(c) this Agreement has been duly executed and delivered by such Stockholder and the execution, delivery and performance of this Agreement by such Stockholder and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Stockholder and no other actions or proceedings on the part of such Stockholder are necessary to authorize this Agreement or to consummate the transactions contemplated hereby;

(d) assuming due authorization, execution and delivery by the other parties hereto, this Agreement constitutes a legal, valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as enforcement may be limited by the Bankruptcy and Equity Exceptions;

(e) (i) such Stockholder (A) is the Beneficial Owner of and, immediately prior to the Closing, will be the Beneficial Owner of, and has and will have good and valid title to, its Existing Shares, free and clear of Liens other than as created by this Agreement, and (B) owns, of record and/or Beneficially, or controls all of its Covered Securities; (ii) its Covered Securities are not subject to any voting trust agreement or other Contract to which such Stockholder is a party restricting or otherwise relating to the voting or Transfer of the Covered Securities other than this Agreement; (iii) such Stockholder has not Transferred any interest in any of its Covered Securities; (iv) as of the date hereof, other than the Existing Shares set forth in the Schedule 13D/A, such Stockholder does not Beneficially Own or own of record, any shares of Common Stock; and (v) such Stockholder has not appointed or granted any proxy or power of attorney that is still in effect with respect to any of the Existing Shares and with respect to any of the Covered Securities Beneficially Owned at all times through the Closing Date and with no limitations, qualifications or restrictions on such rights, except as contemplated by this Agreement;

(f) except for (i) the applicable requirements of the Exchange Act and (ii) as provided in the Merger Agreement, (A) no filing with, and no permit, authorization, consent or approval of, any Governmental Entity is necessary on the part of such Stockholder for the execution, delivery and performance of this Agreement by such Stockholder or the consummation by such Stockholder of the transactions contemplated by this Agreement and the Merger Agreement, and (B) neither the execution, delivery or performance of this Agreement by such Stockholder nor the consummation by such Stockholder of the transactions contemplated hereby, nor compliance by such Stockholder with any of the provisions hereof shall (1) if such Stockholder is an entity, conflict with or violate any provision of the organizational documents of such Stockholder, (2) result in any breach or violation of, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Encumbrance on property or assets of such Stockholder pursuant to any Contract to which such Stockholder is a party or by which such Stockholder or any property or asset of such Stockholder is bound or affected, or (3) violate any Law or Order applicable to such Stockholder or any of such Stockholder's properties or assets;

(g) there is no Proceeding pending against such Stockholder or, to the knowledge of such Stockholder, any other Person or, to the knowledge of such Stockholder, threatened against such Stockholder or any other Person that restricts or prohibits (or, if successful, would, or could reasonably be expected to, restrict or prohibit) the performance by such Stockholder of its obligations under this Agreement or challenges the validity of this Agreement; and

(h) except for this Agreement, no Stockholder has taken any action that would constitute a breach hereof, make any representation or warranty of such Stockholder set forth in this Article III untrue or incorrect or have the effect of preventing or delaying or impeding the ability of such Stockholder from performing any of his, her or its obligations under this Agreement.

Section 3.2 Other Covenants. Each Stockholder hereby:

(a) agrees and covenants, prior to the Expiration Time, not to knowingly take any action, directly or indirectly, that could reasonably be expected to (i) result in a breach hereof, (ii) make any representation or warranty of such Stockholder contained herein untrue or incorrect or (iii) have the effect of preventing, delaying, impeding or interfering with or adversely affecting the ability of such Stockholder from performing any of its obligations under this Agreement;

(b) irrevocably waives, and agrees not to exercise, any rights of appraisal or any dissenters' rights under applicable Law at any time with respect to the Merger that such Stockholder may have with respect to any and all of such Stockholder's Covered Securities, whether held of record or Beneficially Owned (including any appraisal or dissenters' rights pursuant to Section 262 of the DGCL) prior to the Expiration Time; and

(c) agrees and covenants to (i) permit the Company to publish and disclose in any press release or in the Proxy Statement (including all documents and schedules filed with the SEC in accordance therewith) or other disclosure document required in connection with the Merger Agreement or the Contemplated Transactions, such Stockholder's identity and Beneficial Ownership of Covered Securities and the nature of such Stockholder's commitments, arrangements and understandings under this Agreement ("Stockholder Information") and (ii) cooperate with the Company in connection with such filings, including providing Stockholder Information requested by the Company and notifying the Company if and to the extent such Stockholder becomes aware that any such Stockholder Information is or shall have become false or misleading.

Section 3.3 Stock Dividends, etc. In the event of a reclassification, recapitalization, reorganization, stock split (including a reverse stock split) or combination, exchange or readjustment of shares or other similar transaction, or if any stock dividend, subdivision or distribution (including any dividend or distribution of securities convertible into or exchangeable for shares of Common Stock) is declared, in each case affecting the Covered Securities, the terms "Existing Shares," "Additional Shares" and "Covered Shares" shall be deemed to refer to and include such shares as well as all such stock dividends and distributions and any securities of the Company into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

ARTICLE IV

TERMINATION

Section 4.1 Termination. This Agreement, and the obligations of the Stockholders hereunder (including, without limitation, Section 2.2 hereof), shall terminate and be of no further force or effect immediately upon the earliest to occur (the "Expiration Time") of (a) the Effective Time, (b) the later of the date of valid termination of (x) the Merger Agreement or (y) any Alternative Acquisition Agreement approved as described in Section 2.1(b), in accordance with its respective terms, and (c) at any time upon the written agreement of the Company (acting at the direction of the Special Committee) and Parent; provided, that, for the avoidance of doubt, to the extent the termination of the Merger Agreement is contested, no party shall be released from liability for violating the terms of this Agreement if a court of competent jurisdiction finally determines that the Merger Agreement had not, in fact, been validly terminated and, therefore, this Agreement had not been validly terminated. Notwithstanding the preceding sentence, this Article IV and Article V hereof shall survive any termination of this Agreement. Nothing in this Article IV shall relieve or otherwise limit any party's liability for any breach of this Agreement prior to the termination of this Agreement.

ARTICLE V

MISCELLANEOUS

Section 5.1 Notices. All notices, requests and other communications to any party under, or otherwise in connection with, this Agreement shall be in writing and shall be deemed to have been duly given on the date of delivery (a) if delivered in person; (b) if transmitted by electronic mail ("e-mail") (but only if confirmation of receipt of such e-mail is requested and received; provided that each notice Party shall use reasonable best efforts to confirm receipt of any such email correspondence promptly upon receipt of such request); or (c) if transmitted by national overnight courier, in each case as addressed as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 5.1):

(a) If to any Stockholder:

Steel Partners Holdings L.P.
590 Madison Avenue
New York, New York 10022
Attention: ***
Email: ***

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

Greenberg Traurig, LLP
333 SE 2nd Avenue, Suite 4400
Miami, FL 33131
Attention: Alan I. Annex and Brian H. Blaney
Email: annexa@gtlaw.com and blaneyb@gtlaw.com

(b) If to the Company:

Steel Connect, Inc.
2000 Midway Lane
Smyrna, Tennessee, 37167
Attention: ***
Email: ***

With a copy to (which shall not constitute notice):

Dentons US LLP
22 Little West 12th Street
New York, New York 10014
Attention: Victor H. Boyajian, Ira L. Kotel, and Ilan Katz
Email: Victor.boyajian@us.dentons.com;
ira.kotel@dentons.com; and ilan.katz@dentons.com

And

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Attention: Colin J. Diamond, Andrew J. Ericksen, Adam Cieply
Email: cdiamond@whitecase.com; aj.ericksen@whitecase.com; and
adam.cieply@whitecase.com

Section 5.2 Capacity. Notwithstanding anything to the contrary in this Agreement, (i) each Stockholder is entering into this Agreement, and agreeing to become bound hereby, solely in its capacity as a Beneficial Owner of its Covered Securities owned by it and not in any other capacity (including, without limitation, in any capacity as a director of the Board or officer of the Company) and (ii) nothing in this Agreement shall obligate such Stockholder or its Representatives to take, or forbear from taking, in its capacity as a director of the Board or officer of the Company, any action which is inconsistent with its or his fiduciary duties under applicable Law.

Section 5.3 Severability. Each party hereto agrees that, should any court or other competent authority hold any provision of this Agreement or part of this Agreement to be null, void or unenforceable, or order any party to take any action inconsistent herewith or not to take an action consistent with the terms of, or required by, this Agreement, the validity, legality and enforceability of the remaining provisions and obligations contained or set forth in this Agreement shall not in any way be affected or impaired, unless the foregoing inconsistent action or the failure to take an action constitutes a material breach of this Agreement or makes this Agreement impossible to perform, in which case this Agreement shall terminate. Upon such determination that any term or other provision is null, void or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner.

Section 5.4 Entire Agreement. This Agreement and the Merger Agreement, including the Company Disclosure Letter and the exhibits thereto, together with the other instruments referred to therein, constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and thereof.

Section 5.5 Specific Performance. The parties agree that irreparable damage, for which monetary damages would not be an adequate remedy, would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached by the parties. Each Stockholder acknowledges and agrees that (a) the Company shall be entitled to seek an injunction, specific performance, or other equitable relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without proof of damages, prior to the Expiration Time, this being in addition to any other remedy to which the Company may be entitled at law or in equity, and (b) the right of specific enforcement is an integral part of the transactions contemplated by this Agreement and without that right, the Company would not have entered into the Merger Agreement. Each Stockholder agrees that it will not oppose the granting of specific performance and other equitable relief on the basis that the other parties have an adequate remedy at law or that an award of specific performance is not an appropriate remedy for any reason at law or in equity. Each Stockholder acknowledges and agrees that if the Company seeks an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, it shall not be required to provide any bond or other security in connection with any such injunction.

Section 5.6 Amendments: Waivers. At any time prior to the Expiration Time, any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, each Stockholder and Parent, or in the case of a waiver, by the party against whom the waiver is to be effective. Notwithstanding the foregoing, no failure or delay by a party hereto in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

Section 5.7 Governing Law: Venue: Waiver of Jury Trial.

(a) THIS AGREEMENT, AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT) THAT MAY BE BASED UPON, ARISE OUT OF RELATE TO THIS AGREEMENT, OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

(b) THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR, IF THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR THE DELAWARE SUPREME COURT DETERMINES THAT, NOTWITHSTANDING SECTION 111 OF THE DGCL, THE COURT OF CHANCERY DOES NOT HAVE OR SHOULD NOT EXERCISE SUBJECT MATTER JURISDICTION OVER SUCH MATTER, THE SUPERIOR COURT OF THE STATE OF DELAWARE AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE SOLELY IN CONNECTION WITH ANY DISPUTE THAT ARISES IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND THE DOCUMENTS REFERRED TO IN THIS AGREEMENT OR IN RESPECT OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR INTERPRETATION OR ENFORCEMENT OF THIS AGREEMENT OR ANY SUCH DOCUMENT THAT IT IS NOT SUBJECT THERETO OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS AGREEMENT OR ANY SUCH DOCUMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS, AND THE PARTIES IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING SHALL BE HEARD AND DETERMINED EXCLUSIVELY BY SUCH A DELAWARE STATE OR FEDERAL COURT. THE PARTIES CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING IN ANY MANNER AS MAY BE PERMITTED BY LAW SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THE FOREGOING WAIVER; (III) SUCH PARTY MAKES THE FOREGOING WAIVER VOLUNTARILY; AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 5.7.

Section 5.8 No Third Party Beneficiaries. There are no third party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto (and their respective successors, heirs and permitted assigns), any rights, remedies, obligations or liabilities, except as specifically set forth in this Agreement.

Section 5.9 Assignment: Binding Effect. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, except that Parent may assign this Agreement (in whole but not in part) in connection with a permitted assignment of the Merger Agreement by Parent, as applicable. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns and, in the case of any Stockholder that is an individual, his, her or its estate, heirs, beneficiaries, personal representatives and executors.

Section 5.10 No Presumption Against Drafting Party. Each of the parties to this Agreement acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed the same with the advice of said counsel. Each party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to in this Agreement, and any and all drafts relating thereto exchanged between the parties shall be deemed the work product of the parties and may not be construed against any party by reason of its preparation. Accordingly, any rule of Law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted it is of no application and is expressly waived.

Section 5.11 Counterparts. This Agreement may be executed in counterparts, including via facsimile or email in "portable document format" (".pdf") form, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 5.12 Special Committee. All amendments or waivers of any provision of this Agreement by the Company and all decisions or determinations contemplated by this Agreement to be made by the Company shall be made by the Special Committee and no amendment or waiver of any provision of this Agreement by the Company and no decision or determination contemplated by this Agreement to be made by the Company shall be made, or action taken, by the Company or the Board with respect to this Agreement without first obtaining the approval of the Special Committee. The Special Committee, and only the Special Committee, may pursue any action or litigation with respect to breaches of this Agreement on behalf of the Company.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first written above.

STOCKHOLDERS

Steel Partners Holdings L.P.

By: Steel Partners Holdings GP Inc., its general partner

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

Handy & Harman Ltd.

By: /s/ Jason Wong
Name: Jason Wong
Title: Senior Vice President

WHX CS Corp.

By: /s/ Jason Wong
Name: Jason Wong
Title: Senior Vice President

Steel Partners, Ltd.

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

SPH Group LLC

By: Steel Partners Holdings GP Inc., its managing member

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

SPH Group Holdings LLC

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

Steel Partners Holdings GP Inc.

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

Steel Excel Inc.

By: /s/ Jason Wong
Name: Jason Wong
Title: Senior Vice President

Warren G. Lichtenstein

/s/ Warren G. Lichtenstein

Jack L. Howard

/s/ Jack L. Howard

COMPANY

Steel Connect Inc.

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer

Exhibit 10.2

EXHIBIT A

CONTINGENT VALUE RIGHTS AGREEMENT

BY AND AMONG

STEEL PARTNERS HOLDINGS L.P.,

STEEL CONNECT, INC.

[●], AS SHAREHOLDER REPRESENTATIVE

AND

[●], AS RIGHTS AGENT

DATED AS OF [●], 2022

TABLE OF CONTENTS

CONTINGENT VALUE RIGHTS AGREEMENT

THIS CONTINGENT VALUE RIGHTS AGREEMENT, dated as of [●], 2022 (this "Agreement"), is entered into by and among Steel Partners Holdings L.P., a Delaware limited partnership ("Parent"), Steel Connect, Inc., a Delaware corporation (the "Company"), [●] ("Rights Agent") and the Shareholder Representative.

RECITALS

WHEREAS, Parent, Merger Sub and the Company have entered into an Agreement and Plan of Merger, dated as of June 12, 2022 (the "Merger Agreement"), pursuant to which Merger Sub will merge with and into the Company, with the Company surviving the Merger as a wholly-owned subsidiary of Parent;

WHEREAS, pursuant to the Merger Agreement, Parent has agreed to cause the Company to create and issue in respect of each Eligible Share (as defined in the Merger Agreement), certain rights to the ModusLink CVR Payment Amount, if and when payable pursuant to this Agreement; and

WHEREAS, the transactions contemplated by the Merger Agreement closed on [●], 2022.

AGREEMENT

NOW, THEREFORE, for and in consideration of the agreements contained herein and the consummation of the transactions contemplated by the Merger Agreement, it is mutually covenanted and agreed as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

(a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(i) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(ii) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(iii) unless the context otherwise requires, words describing the singular number shall include the plural and vice versa, words denoting any gender shall include all genders and words denoting natural Persons shall include corporations, partnerships and other Persons and vice versa;

(iv) the word "or" shall be exclusive;

(v) the words "include," "includes" and "including" shall not be limiting and shall be deemed to be followed by the phrase "without limitation;

(vi) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified;

(vii) all references to "including" shall be deemed to mean including without limitation; and

(viii) references to any Person include such Person's successors and permitted assigns.

(b) Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Merger Agreement. The following terms shall have the meanings ascribed to them as follows:

"Agreement" has the meaning given to such term in the Preamble.

"Board of Directors" means the board of directors of the Company.

"Board Resolution" means a copy of a resolution certified by the secretary or an assistant secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Rights Agent.

"By-Laws" means the By-Laws of ModusLink.

"Company" has the meaning given to such term in the Preamble.

"CVRs" means the contingent value rights issued by the Company under this Agreement.

"CVR Payment Date" means any date that any ModusLink CVR Payment Amount is paid by the Company to the Holders pursuant to Section 2.4.

"CVR Register" has the meaning given to such term in Section 2.3(b).

"Entire ModusLink Sale" means, as of any date of determination, a direct or indirect sale, lease, transfer or other disposition (including by means of a merger or other business combination transaction) in one or more transactions (i) of all or substantially all of the ModusLink Assets, (ii) of 100% of the Company's then remaining Equity Interests in ModusLink or (iii) the effect of which is to divest 100% of the Company's then remaining direct or indirect investment in ModusLink.

"Entire CVR Payment Statement" has the meaning given to such term in Section 2.4(f)(i).

"Equity Interest" means any share, capital stock, partnership, member or similar interest in any entity, and any option, warrant, right or security (including debt securities) convertible, exchangeable or exercisable therefor.

"Excluded Expenses" means all costs, fees and expenses of the Company or any Company Subsidiary or any of their respective affiliates arising out of or relating to any dispute with the Shareholder Representative or otherwise with respect to the terms of this Agreement.

"Fair Market Value" shall mean, in respect of assets other than cash:

(i) with respect to securities listed on any established stock exchange, the Fair Market Value of such securities shall be the closing sales price per such security as quoted on such exchange or market (or, if listed on more than one such exchange or market, the exchange or market with the greatest volume of trading in such security) on the last market trading day prior to such date, as reported in The Wall Street Journal; and

(ii) with respect to a property or other asset or a security not listed on any established stock exchange, the Fair Market Value shall be determined in good faith by Parent; provided, however, that if there is a good faith objection to such a determination by the Shareholder Representative, the Fair Market Value shall be determined by an independent third-party appraiser agreed upon by Parent and Shareholder Representative, and all reasonable fees and expenses of the third-party appraiser shall be ModusLink Sale Expenses.

"Fully Diluted Share Amount" means the total number of shares of Company Common Stock outstanding as of immediately prior to the Effective Time, excluding shares of Company Common Stock issuable upon conversion of the shares of Company Series C Preferred Stock outstanding as of immediately prior to the Effective Time.

"Holder" means a Person in whose name a CVR is registered in the CVR Register.

"Merger Agreement" has the meaning given to such term in the Recitals.

"ModusLink" means ModusLink Corporation.

"ModusLink Assets" means the assets owned by ModusLink or its Subsidiaries as of the date of this Agreement, regardless of where such assets may be situated, and changes in such assets occurring after the date hereof.

"ModusLink Business" means the business and operations carried on by ModusLink and its Subsidiaries.

"ModusLink CVR Payment Amount" means an amount (which shall not be less than zero) equal to (i) the ModusLink Net Sale Proceeds divided by (ii) the Fully Diluted Share Amount; provided, however, that a ModusLink CVR Payment Amount would in no event result from a related party transaction or restructuring that results in a direct or indirect transfer of ModusLink Assets, but would include a subsequent sale to a third party of such ModusLink Assets.

"ModusLink Net Sale Proceeds" means an amount (which shall not be less than zero) equal to (i) the Fair Market Value of the aggregate amount of gross proceeds received by the Company, Parent or any of their Affiliates in connection with one or more ModusLink Sales that are consummated within twenty four (24) months of the Effective Time plus (ii) the amount of any cash retained by the Company or its Subsidiaries that would otherwise have been included in the ModusLink Assets, minus (iii) an amount equal to (x) $80,000,000 plus (y) the ModusLink Sale Expenses; provided, that in the event the ModusLink Net Sale Proceeds for a given Partial ModusLink Sale do not exceed $80,000,000, such ModusLink Net Sale Proceeds shall be included in clause (i) of this calculation in addition to each subsequent ModusLink Sale; provided, further, that if any contingent or deferred compensation or earn-out is payable in respect of any ModusLink Sale, such amount shall be included in the calculation of "ModusLink Net Sale Proceeds" only upon actual receipt by the Company, Parent or any of their Affiliates.

"ModusLink Sale" means an Entire ModusLink Sale or Partial ModusLink Sale, as applicable.

"ModusLink Sale Agreement" means an executed binding definitive transaction document providing for a ModusLink Sale.

"ModusLink Sale Expenses" means (a) any reasonable out-of-pocket transaction costs, fees or expenses (including any reasonable and customary broker fees, finder's fees, advisory fees, accountant or attorney's fees and transfer or similar taxes imposed by any jurisdiction) to the extent incurred in connection with the Entire ModusLink Sale or a Partial ModusLink Sale (including any amounts expressly deemed to be ModusLink Sale Expenses hereunder) by the Company or any of its Subsidiaries) and the Shareholder Representative, and (b) the fees and expenses of the Rights Agent and the Neutral Auditor, in each case, which are documented in reasonable detail, prepared in good faith, and certified by the Shareholder Representative or the Company, as applicable; provided, that ModusLink Sale Expenses shall exclude any Excluded Expenses.

"Neutral Auditor" has the meaning given to such term in Section 2.4(g).

"Notice of Agreement" has the meaning given to such term in Section 2.4(e)(ii).

"Notice of Objection" has the meaning given to such term in Section 2.4(e)(ii).

"Objections" has the meaning given to such term in Section 2.4(e)(iv).

"Officer's Certificate" means a certificate signed by the chief executive officer, president, chief financial officer, any vice president, the controller, the treasurer or the secretary of the Company, in his or her capacity as such an officer.

"Partial ModusLink Sale" means a direct or indirect sale, lease, transfer or other disposition (including by means of a merger or other business combination transaction) (i) of less than all or substantially all of the ModusLink Assets, (ii) of less than 100% of the Company's Equity Interests in ModusLink or (iii) the effect of which is to divest the Company of less than 100% of its direct or indirect investment in ModusLink.

"Partial CVR Payment Statement" has the meaning given to such term in Section 2.4(e)(i).

"Permitted Transfer" means (i) the transfer of any or all of the CVRs on death by will or intestacy, (ii) transfer by instrument to an inter vivos or testamentary trust in which the CVRs are to be passed to beneficiaries upon the death of the trustee, (iii) transfers made pursuant to a court order (including in connection with divorce, bankruptcy or liquidation), (iv) if the Holder is a corporation, partnership or limited liability company, a distribution by the transferring corporation, partnership or limited liability company to its stockholders, partners or members, as applicable (provided that (A) such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act, or (B) in the case of a transferring corporation, the Company shall have reasonably determined after consultation with counsel that such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act), and (v) a transfer made by operation of law (including a consolidation or merger) or without consideration in connection with the dissolution, liquidation or termination of any corporation, limited liability company, partnership or other entity.

"Pre-Funded Amount" has the meaning given to such term in Section 3.3(b).

"Qualified Investment" means any (i) investment in a money market investment program registered under the Investment Company Act of 1940, as amended, that invests solely in direct obligations of the United States of America or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America or (ii) certificate of deposit issued by any bank, bank and trust company or national banking association with a combined capital and surplus in excess of $100,000,000 and insured by the Federal Deposit Insurance Corporation or a similar governmental agency.

"Rights Agent" means the Rights Agent named in the Preamble, until a successor Rights Agent shall have become such pursuant to the applicable provisions of this Agreement, and thereafter "Rights Agent" shall mean such successor Rights Agent.

"Sale Deadline" means twenty four (24) months following the Effective Time.

"Shareholder Representative" means [●].

"Shareholder Representative Expense Amount" has the meaning given to such term in Section 3.3(b).

"Shareholder Representative Persons" has the meaning given to such term in Section 3.1(a).

"Shareholder Representative Reimbursement Amount" has the meaning given to such term in Section 3.3(b).

"Surviving Person" has the meaning given to such term in Section 6.1(a)(i).

"Parent" has the meaning given to such term in the Preamble.

ARTICLE II
CONTINGENT VALUE RIGHTS

Section 2.1 Appointment of the Rights Agent; Issuance of CVRs.

The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company hereby issues the CVRs at the Effective Time pursuant to the terms of the Merger Agreement, and the CVRs shall represent the right of the Holders to receive, in respect of each CVR held by such Holder, the ModusLink CVR Payment Amount (if any) if and when payable pursuant to this Agreement. The administration of the CVRs shall be handled pursuant to this Agreement in the manner set forth in this Agreement.

Section 2.2 Nontransferable.

The CVRs or any interest therein shall not be sold, assigned, transferred, pledged, encumbered or in any other manner transferred or disposed of, in whole or in part, other than through a Permitted Transfer.

Section 2.3 No Certificate; Registration; Registration of Transfer; Change of Address.

(a) The CVRs shall not be evidenced by a certificate or other instrument.

(b) The Rights Agent shall keep a register (the "CVR Register") for the registration of CVRs in a book-entry position for each Holder and transfers of CVRs as herein provided. The CVR Register shall set forth the name and address of each Holder, the number of CVRs held by such Holder and the Tax Identification Number of each Holder, which information, if not available to the Company's transfer agent or provided by the Holder, shall be provided in writing to the Rights Agent by the Company. The CVR Register will be updated as necessary by the Rights Agent to reflect the addition or removal of Holders (including pursuant to any Permitted Transfers), upon the written receipt of such information by the Rights Agent. Each of the Company and the Shareholder Representative may receive and inspect a copy of the CVR Register, from time to time, upon written request made to the Rights Agent. Within five (5) Business Days after receipt of such request, the Rights Agent shall mail a copy of the CVR Register, as then in effect, to the Company and the Shareholder Representative at the address set forth in Section 7.1.

(c) Subject to the restriction on transferability set forth in Section 2.2, every request made to transfer a CVR must be in writing and setting forth in reasonable detail the circumstances relating to the transfer, and must be accompanied by (i) a written instrument of transfer duly executed by the registered Holder thereof, the Holder's attorney duly authorized in writing, and the Holder's personal representative or survivor, (ii) the transfer certificate attached hereto as Exhibit A duly completed and properly executed by both the registered Holder thereof, the Holder's attorney duly authorized in writing, the Holder's personal representative or survivor and the proposed transferee, and (iii) any other requested documentation in form reasonably satisfactory to the Company and the Rights Agent. Upon receipt of such written notice, the Rights Agent shall, subject to its reasonable determination that the transfer instrument and the transfer certificate are in proper form and the transfer otherwise complies with the other terms and conditions herein including Section 2.2, register the transfer of the CVRs in the CVR Register.

The Rights Agent may rely on the information contained in the transfer certificate and any of the documents required to be provided with the transfer certificate. All duly transferred CVRs registered in the CVR Register shall be the valid obligations of the Company, evidencing the same right, and shall entitle the transferee to the same benefits and rights under this Agreement, as those held immediately prior to the transfer by the transferor. No transfer of a CVR shall be valid until registered in the CVR Register, and any transfer not duly registered in the CVR Register will be void ab initio (unless the transfer was permissible hereunder and such failure to be duly registered is attributable to the fault of the Rights Agent). Any transfer or assignment of the CVRs shall be without charge to the Holder; provided, that the Company and the Rights Agent may require (i) payment of a sum sufficient to cover any stamp, transfer or other similar tax or charge that is imposed in connection with any such transfer or (ii) that the transferor establish to the reasonable satisfaction of the Rights Agent that any such taxes have been paid. The Rights Agent shall have no duty or obligation to take any action under this Section 2.3(c) unless and until the Rights Agent is satisfied that all such taxes or charges have been paid in full.

(d) A Holder may make a written request to the Rights Agent to change such Holder's address of record in the CVR Register. The written request must be duly executed by the Holder. Upon receipt of such written notice, the Rights Agent shall promptly record the change of address in the CVR Register.

Section 2.4 Payment Procedures; Payment Amount.

(a) Payment for Partial ModusLink Sales. Subject to the procedures set forth in Section 2.4(e), upon the consummation of any Partial ModusLink Sale, each Holder of a CVR shall, in respect of such CVR, be entitled to and shall receive the ModusLink CVR Payment Amount (if any).

(b) Payment for Entire ModusLink Sales. Subject to the procedures set forth in Section 2.4(f), upon the consummation of the Entire ModusLink Sale, each Holder of a CVR shall, in respect of such CVR, be entitled to and shall receive the ModusLink CVR Payment Amount (if any).

(c) Payment upon Sale Deadline. Notwithstanding anything to the contrary in this Agreement, no Holder of a CVR shall, in respect of such CVR, be entitled to any ModusLink CVR Payment Amount that is received by the Company, Parent or any of their Affiliates following the Sale Deadline.

(d) Currency Conversion. To the extent that any proceeds described herein are received in a currency other than U.S. dollars, the amount of such proceeds shall be deemed to be the U.S. dollar amount actually received by the Company, Parent or any of their Affiliates upon the Company, Parent or any of their Affiliate's conversion of such proceeds into U.S. dollars at the direction of the Shareholder Representative. To the extent any expenses, fees or costs are incurred or paid in a currency other than U.S. dollars, the actual U.S. dollar amount that was paid, that was funded by the Company into the Shareholder Representative Expense Amount or that was a Pre-Funded Amount (excluding any amount that remains unused on the consummation of the ModusLink Sale and that is distributed from the joint account to the Company on such date in accordance with Section 3.3(b) below) shall be used in the calculation of the "ModusLink Sale Expenses".

(e) Procedure for Partial ModusLink Sales.

(i) Promptly following the closing of a Partial ModusLink Sale but in no event later than ten (10) Business Days thereafter, the Company shall deliver to the Shareholder Representative (with a copy to the Rights Agent and Parent) the Company's good faith written calculation, in reasonable detail and with supporting documentation, work papers and receipts of the ModusLink CVR Payment Amount (the "Partial CVR Payment Statement"), which shall be certified by the Company. The Partial CVR Payment Statement shall specify in reasonable detail all ModusLink Sale Expenses of the Shareholder Representative set forth in writing by the Shareholder Representative to the Company within such ten (10) Business Day period, which shall be certified by the Shareholder Representative. Parent and the Company shall be protected in relying in good faith upon such certification.

(ii) Within ten (10) Business Days after receipt of the Partial CVR Payment Statement, the Shareholder Representative shall deliver to the Company and the Rights Agent (with a copy to Parent) a notice specifying whether the Shareholder Representative agrees with (a "Notice of Agreement") or objects to (a "Notice of Objection") such Partial CVR Payment Statement.

(iii) If the Shareholder Representative delivers a Notice of Agreement, then any ModusLink CVR Payment Amount shall be due and payable to the Holders pursuant to the procedures set forth in Section 2.4(h) below. If the Shareholder Representative does not deliver either a Notice of Objection or a Notice of Agreement within such five (5) Business Day period, then the Shareholder Representative shall be deemed to have delivered a Notice of Agreement with respect to such Partial CVR Payment Statement at the end of such period.

(iv) Any Notice of Objection shall contain the Shareholder Representative's calculation of the ModusLink CVR Payment Amount that such Shareholder Representative believes Holders are entitled to receive. Such Notice of Objection must also be accompanied by a description in reasonable detail of each of the objections to the calculations reflected in the Notice of Objection (collectively, the "Objections"). For a period of ten (10) Business Days after the delivery of the Notice of Objection, the Company and the Shareholder Representative shall, in good faith, try to resolve any Objections; provided, however, that to the extent that the Company and the Shareholder Representative shall disagree, the Shareholder Representative's good faith calculation of the ModusLink CVR Payment Amount (as modified to give effect to the results of any discussions and negotiations pursuant to this clause (iv)) shall control.

(f) Procedure for the Entire ModusLink Sale.

(i) Promptly following the completion of the Entire ModusLink Sale, but in no event later than twenty (20) Business Days thereafter, the Company shall deliver to the Shareholder Representative (with a copy to the Rights Agent and Parent) the Company's good faith written calculation of the ModusLink CVR Payment Amount (the "Entire CVR Payment Statement"). The Entire CVR Payment Statement shall specify in reasonable detail all ModusLink Sale Expenses of the Shareholder Representative set forth in writing by the Shareholder Representative to the Company within such twenty (20) Business Day (or applicable later) period, which shall be certified by the Shareholder Representative. Parent and the Company may rely in good faith upon such certification. For the avoidance of doubt, the Company shall deliver an Entire CVR Payment Statement even if it believes that there is no ModusLink CVR Payment Amount due and payable. Such Entire CVR Payment Statement will be accompanied by the Company's calculation in reasonable detail of the components of the ModusLink CVR Payment Amount, including a good faith written calculation, in reasonable detail and with supporting documentation, work papers and receipts, of the ModusLink Sale Expenses incurred by the Company, Parent or any of their Affiliates (other than the Shareholder Representative Expense Amount and any Pre-Funded Amounts pursuant to Section 3.3(b)), along with an Officer's Certificate certifying such ModusLink Sale Expenses and that the ModusLink CVR Payment Amount was calculated in the manner required under this Agreement. The Shareholder Representative may rely in good faith on such certification.

(ii) Within thirty (30) days after receipt of the Entire CVR Payment Statement, the Shareholder Representative shall deliver to the Company and the Rights Agent (with a copy to Parent) a Notice of Agreement or a Notice of Objection to such Entire CVR Payment Statement. During such thirty (30) day period, the Company shall cooperate with and permit, and Parent shall cause the Company to cooperate with and permit, the Shareholder Representative and any accountant or other consultant or advisor retained by the Shareholder Representative access during normal business hours to such records and personnel (including the external auditors of the Company, Parent or any of their Affiliates) as may be reasonably necessary to verify the accuracy of the Entire CVR Payment Statement and the amounts underlying the calculation of the entire ModusLink CVR Payment Amount.

(iii) If the Shareholder Representative delivers a Notice of Agreement, then the ModusLink CVR Payment Amount, shall be due and payable to the Holders pursuant to the procedures set forth in this Section 2.4(h) below, and, after delivery of the ModusLink CVR Payment Amount, with respect to all Holders to the Rights Agent, Parent and the Company shall thereafter have no further obligations with respect to such ModusLink CVR Payment Amount. If the Shareholder Representative does not deliver either a Notice of Objection or a Notice of Agreement within such thirty (30) day period, then the Shareholder Representative shall be deemed to have delivered a Notice of Agreement with respect to such Entire CVR Payment Statement at the end of such period.

(iv) If the Shareholder Representative delivers a Notice of Objection to the Company within such thirty (30) day period, such Notice of Objection shall contain the Shareholder Representative's calculation of the ModusLink CVR Payment Amount. Such Notice of Objection must also be accompanied by a description in reasonable detail of each of the Objections, and a certificate certifying that the ModusLink CVR Payment Amount reflected in the Notice of Objection was calculated in the manner required under this Agreement.

(g) Disputes. If the Company does not agree with any Objections pursuant to Section 2.4(e) or Section 2.4(f), the Objections that are in dispute shall be submitted to [●] (the "Neutral Auditor"). Such Neutral Auditor shall, within thirty (30) Business Days of such submission, resolve any differences between the Company and the Shareholder Representative and such resolution shall, in the absence of manifest error, be final, binding and conclusive upon Parent, the Company, the Shareholder Representative, each of the other parties hereto and each of the Holders. The costs, fees and expenses of such Neutral Auditor shall be borne equally by the Company and the Shareholder Representative; with any such costs, fees and expenses of the Shareholder Representative being offset against any ModusLink CVR Payment Amount. For the avoidance of doubt, and notwithstanding anything to the contrary contained in this Agreement, any such costs, fees and expenses of such Neutral Auditor to be borne by the Company shall not be considered to be ModusLink Sale Expenses. Upon such resolution, the Company and the Shareholder Representative shall notify the Rights Agent in writing of such resolution and the ModusLink CVR Payment Amount, shall be due and payable to the Holders in respect of each CVR held by such Holder pursuant to the procedures set forth in this Section 2.4 below, and, after delivery of any ModusLink CVR Payment Amount, with respect to all Holders, the Rights Agent, Parent and the Company shall thereafter have no further obligations with respect to the ModusLink CVR Payment Amount and shall, subject to Section 2.4(h), no longer be entitled to (i) any amount to the extent reflected in any such finally resolved ModusLink CVR Payment Amount or (ii) any further ModusLink Sale Expenses. To the extent that the ModusLink CVR Payment Amount is less than zero, the Company shall bear any such costs, fees, and expenses of such Neutral Auditor.

(h) Once the ModusLink CVR Payment Amount becomes due and payable pursuant to this Section 2.4, the Company shall establish a CVR Payment Date with respect to the ModusLink CVR Payment Amount that is within five (5) Business Days thereafter and shall provide written notice to the Rights Agent and Shareholder Representative of the same. At least two (2) Business Days prior to such CVR Payment Date, the Company shall cause all amounts to be paid to the Holders on such CVR Payment Date, to be delivered to the Rights Agent, who will in turn, on the CVR Payment Date, pay the applicable ModusLink CVR Payment Amount to each of the Holders by check mailed to the address of each Holder as reflected in the CVR Register as of the close of business on the last Business Day prior to such CVR Payment Date. Any ModusLink Sale Expenses to the extent not reflected in the finally resolved ModusLink CVR Payment Amount shall be deducted from any such deferred cash consideration. If no ModusLink CVR Payment Amount is due and payable to the Holders pursuant to any Partial ModusLink Sale or the Entire ModusLink Sale, the Rights Agent, upon written request from the Company and the Shareholder Representative, shall deliver notice of the same to the Holders within five (5) Business Days of being notified that no such ModusLink CVR Payment Amount is owing to the Holders. Whenever a payment is to be made by the Rights Agent, the Company shall deliver written instructions with respect to such payment that includes the aggregate amount of such payment to be paid to the Holders, and the amount per CVR to be paid to each such Holder. Until such written instructions are received by the Rights Agent, the Rights Agent may presume conclusively that no event has occurred that would require such payment.

(i) The Company shall be entitled to deduct and withhold, or cause to be deducted or withheld, from the ModusLink CVR Payment Amount otherwise payable pursuant to this Agreement, such amounts as it may be required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld or paid over to or deposited with the relevant Governmental Entity, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Holder in respect of which such deduction and withholding was made.

(j) Any funds comprising the cash deposited with the Rights Agent under Section 2.4(h) that remain undistributed to the Holders twelve (12) months after the CVR Payment Date with respect to the Entire ModusLink Sale shall be delivered to the Company by the Rights Agent, upon written demand by the Company, and any Holders who have not theretofore received payment in exchange for such CVRs shall thereafter look only to the Company for payment of their claim therefor. Notwithstanding anything to the contrary herein, any portion of the consideration provided by the Company to the Rights Agent that remains unclaimed immediately prior to such time as such amounts would otherwise escheat to, or become property of, any Governmental Entity shall, to the extent permitted by Law, become the property of the Company free and clear of any claims or interest of any Person previously entitled thereto, subject to any escheatment Laws.

(k) During the period that the Rights Agent is in possession of the funds delivered to the Rights Agent for payment to Holders, the Rights Agent shall identify, report and deliver all unclaimed portions of such amounts and related unclaimed property to all states and jurisdictions for the Company in accordance with applicable abandoned property law. None of the Company, the Shareholder Representative or the Rights Agent shall be liable to any person in respect of any funds delivered to a public official in compliance with any applicable state, federal or other abandoned property, escheat or similar law. In consideration of receiving compensation from the agents of the states for processing and support services provided by the Rights Agent relating to initial compliance with applicable abandoned property law, the Rights Agent shall not charge the Company for such services. In connection with providing such services, the Rights Agent may use the services of a locating service provider selected by the Rights Agent to locate and contact Holders, if any, who have not yet cashed their checks representing payment of the funds deposited with the Rights Agent for payment to the Holders, which provider has agreed to compensate the Rights Agent for processing and other services the Rights Agent provides in connection with such locating services. Such provider shall inform any such located Holders that they may choose either (i) to contact the Rights Agent directly to receive a check for payment of such amounts at no charge other than any applicable fees contemplated herein, or (ii) to utilize the services of such provider for a fee to be specified in writing to such Holder, which may not exceed the lesser of 15% of the total value of such payment amount or the maximum statutory fee permitted by the applicable state jurisdiction. If the Company requires the Rights Agent to work with a locating service provider other than one selected by the Rights Agent, additional fees may apply.

(l) The Rights Agent shall not be obligated to perform wage or Form W-2 tax reporting, and to the extent that any wage or W-2 reporting is required with respect to the payment of any funds hereunder to Holders, the Company shall promptly notify the Rights Agent of the person or entity responsible for such wage or W-2 reporting.

(m) All funds received by the Rights Agent under this Agreement that are to be distributed or applied by the Rights Agent in the performance of its duties, obligations and responsibilities hereunder (the "Funds") shall be held by [●] as agent for the Company and deposited in one or more bank accounts to be maintained by [●] in its name as agent for the Company. Until disbursed pursuant to this Agreement, [●] may hold or invest the Funds through such accounts in obligations of, or guaranteed by, the United States of America. The Rights Agent shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by the Rights Agent in accordance with this paragraph, including any losses resulting from a default by any bank, financial institution or other third party. [●] may from time to time receive interest, dividends or other earnings in connection with such deposits or investments. No interest shall accrue on any funds deposited with the Rights Agent pursuant to this Agreement. [●] shall not be obligated to calculate or pay such interest, dividends or earnings to the Company, any Holder or any other person or entity. For the avoidance of doubt, the preceding three sentences are not meant to cover any interest included in the ModusLink CVR Payment Amount.

Section 2.5 No Voting, Dividends or Interest; No Equity or Ownership Interest in Parent or the Company.

(a) The CVRs shall not have any voting or dividend rights, and interest shall not accrue on any amounts payable on the CVRs to any Holder (without prejudice to the inclusion in ModusLink CVR Payment Amount of the amounts referenced in Section 2.6).

(b) The CVRs shall not represent any equity or ownership interest in Parent, the Company or any of their Affiliates, or in any constituent company to the Merger.

Section 2.6 Establishment of ModusLink CVR Bank Account. Any amounts paid to the Company or any of its Subsidiaries in connection with any Partial ModusLink Sale, any Entire ModusLink Sale or in connection with any deferred cash consideration with respect thereto shall be held in a segregated bank account at a banking institution reasonably acceptable to the Shareholder Representative established and maintained for the benefit of the Holders and invested in one or more Qualified Investments until any ModusLink CVR Payment Amount is required to be paid pursuant to the terms hereof. Notwithstanding anything to the contrary contained in this Agreement, other than in connection with any payment pursuant to Section 2.4(h), the Company shall not withdraw any amounts from such bank account without the prior written consent of the Shareholder Representative.

ARTICLE III
THE RIGHTS AGENT AND SHAREHOLDER REPRESENTATIVE

Section 3.1 Certain Duties and Responsibilities.

(a) Neither (i) the Rights Agent nor (ii) the Shareholder Representative, the Shareholder Representative's direct or indirect holders of Equity Interests, any individual member of the committee that comprises or controls the Shareholder Representative or, as applicable, any of their respective managers, directors, officers, employees, agents or other representatives (such Persons described in this clause (ii) in their capacities as such, the "Shareholder Representative Persons") shall have any liability or responsibility to any Person (A) of any kind whatsoever for or in respect of its performance of any duties imposed hereunder or for any actions taken, suffered or omitted to be taken in connection with this Agreement (including, in the case of the Rights Agent, its acceptance and administration of this Agreement and the exercise and performance of its duties hereunder), (B) for any acts or omissions of the other parties hereto or (C) for damages, losses or expenses arising out of this Agreement, except (in the case of each of the foregoing clauses) to the extent of their gross negligence, bad faith or willful or intentional misconduct (each as determined by a final judgment of a court of competent jurisdiction). No Shareholder Representative Person shall have any duties, fiduciary or otherwise, under this Agreement except the duty to act in good faith and except as expressly set forth herein. No provision of this Agreement shall require the Rights Agent or any Shareholder Representative Person to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers. For purposes of this Section 3.1 and Sections 3.2, 3.3 and 7.5 below, the term "Rights Agent" shall include the Rights Agent's managers, directors, officers, employees, agents or other representatives in their capacity as such and, for the avoidance of doubt, the Rights Agent shall be liable for breaches of this Agreement by the Rights Agent's managers, directors, officers, employees, agents or other representatives.

(b) The Shareholder Representative shall have the exclusive authority to act on behalf of the Holders in enforcing any of their rights hereunder, including the delivery of a Notice of Objection, statement of Objections and negotiation. The Shareholder Representative shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve material expense. All rights of action under this Agreement may be (and shall only be) enforced by the Shareholder Representative, and any action, suit or proceeding instituted by the Shareholder Representative shall be brought in its name as Shareholder Representative on behalf of the Holders, and any recovery of judgment shall be for the ratable benefit of all the Holders, as their respective rights or interests may appear in the CVR Register.

Section 3.2 Certain Rights of Rights Agent.

The Rights Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Rights Agent. In addition:

(a) the Rights Agent may rely in good faith upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) (i) whenever the Rights Agent shall reasonably require that a matter be established or proved by the Company prior to taking, suffering or omitting to take any action hereunder, the Rights Agent may request and rely upon a certificate signed by the chief executive officer, president, chief financial officer, any vice president, the controller, the treasurer or the secretary of the Company on behalf of the Company, which certificate shall be, if signed by the party or parties required to consent to such action, full authorization and protection to the Rights Agent, and the Rights Agent shall, in the absence of gross negligence, bad faith or willful or intentional misconduct (each as determined by a final judgment of a court of competent jurisdiction) on its part, incur no liability, and shall be protected and be held harmless by the Company, for or in respect of any action taken, suffered or omitted to be taken by it under the provisions of this Agreement in reliance upon such certificate; and (ii) whenever the Rights Agent shall reasonably require that a matter be established or proved by the Shareholder Representative prior to taking, suffering or omitting to take any action hereunder, the Rights Agent may request and rely upon a certificate signed by each then current individual member of the committee that comprises or controls the Shareholder Representative on behalf of the Shareholder Representative, which certificate shall be, if signed by the party or parties required to consent to such action, full authorization and protection to the Rights Agent, and the Rights Agent shall, in the absence of gross negligence, bad faith or willful or intentional misconduct (each as determined by a final judgment of a court of competent jurisdiction) on its part, incur no liability, and shall be protected and be held harmless by the Company, for or in respect of any action taken, suffered or omitted to be taken by it under the provisions of this Agreement in reliance upon such certificate;

(c) the Rights Agent may engage and consult with counsel of its selection (who may be legal counsel for the Rights Agent or an employee of the Rights Agent) and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance thereon;

(d) the permissive rights of the Rights Agent to do things enumerated in this Agreement shall not be construed as a duty;

(e) the Rights Agent shall not be required to give any note or surety in respect of the execution of such powers or otherwise in respect of the premises;

(f) except as otherwise set forth in this Agreement, the Rights Agent shall have no liability and shall be held harmless by the Company in respect of the validity of this Agreement, the statements of fact or recitals contained herein (or be required to verify the same), or the execution and delivery hereof (except the due execution and delivery hereof by the Rights Agent and the enforceability of this Agreement against the Rights Agent assuming the due execution and delivery hereof by the other parties hereto); nor shall it be responsible for any breach by the Company or any other party of any covenant or condition contained in this Agreement nor shall the Rights Agent be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document, including, without limitation, the Merger Agreement, nor shall the Rights Agent be required to determine if any person or entity has complied with any such agreements, instruments or documents, nor shall any additional obligations of the Rights Agent be inferred from the terms of such agreements, instruments or documents even though reference thereto may be made in this Agreement;

(g) notwithstanding anything in this Agreement to the contrary, (i) the Rights Agent shall in no event be liable for special, punitive or unforeseeable consequential damages (unless such damages are to third parties with respect to third party claims that result in a judgment against the Rights Agent for such damages), and (ii) any liability of the Rights Agent, including, but not limited to, foreseeable consequential damages, shall be limited to the amount of fees paid by the Company to the Rights Agent (excluding amounts paid to the Rights Agent as reimbursement for expenses and other charges);

(h) the Rights Agent and any of its affiliates may buy, sell or deal in any securities of the Company or the Parent or become peculiarly interested in any transaction in which the Parent or the Company may be interested, or contract with or lend money to the Parent or the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Parent or the Company or for any other Person; and

(i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself (through its directors, officers and employees) or by or through its attorneys or agents; provided that the Rights Agent shall be liable for breaches of this Agreement by such directors, officers, employees, attorneys or agents.

Section 3.3 Indemnity and Expenses.

(a) The Company agrees to indemnify, defend and hold harmless each Shareholder Representative Person and the Rights Agent for, and to hold each Shareholder Representative Person and the Rights Agent harmless against, any loss, liability, judgment, fine, penalty, claim, demand, suit, cost, damage or expense, including reasonable out-of-pocket expenses (including the reasonable costs and expenses of legal counsel) arising out of or in connection with the Rights Agent's and the Shareholder Representative's respective duties under this Agreement, including the reasonable out-of-pocket costs and expenses of defending the Rights Agent and each individual member of the Committee that comprises or controls the Shareholder Representative against any claims, charges, demands, investigations, suits or loss or liability, or enforcement of its rights hereunder, unless it shall have been finally determined by a judgment of a court of competent jurisdiction to be a direct result of the Rights Agent's or such Shareholder Representative Person's, as applicable, gross negligence, bad faith or willful or intentional misconduct. The right to indemnification conferred in this Section 3.3(a) shall include the right to be paid or reimbursed by the Company for the reasonable expenses incurred by such Person entitled to be indemnified under this Section 3.3(a) who was, or is threatened to be made a named defendant or respondent in a claim, charge, demand, investigation or suit in advance of the final disposition thereof and without any determination as to the Person's ultimate entitlement to indemnification. The rights granted pursuant to this Section 3.3(a) shall be deemed contract rights, and no amendment, modification or repeal of this Section 3.3(a) shall have the effect of limiting or denying any such rights with respect to claims, charges, demands, investigations and suits arising prior to any such amendment, modification or repeal. The Shareholder Representative Person's aggregate liability to any Person with respect to, arising from, or arising in connection with this Agreement, or from all services provided or omitted to be provided under this Agreement, whether in contract, or in tort, or otherwise, is limited to, and shall not exceed, the amounts paid hereunder by the Company to the Shareholder Representative as fees and charges, but not including reimbursable expenses. Indemnification under this Section 3.3(a) shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. Any such amounts incurred by the Company in connection with this Section 3.3(a) shall be a ModusLink Sale Expense.

(b) The Company or any of its Affiliates shall, if and as requested by the Shareholder Representative at any time from and after the Effective Time through the termination of this Agreement, pay to or at the direction of the Shareholder Representative fees and expenses incurred at the direction of the Shareholder Representative pursuant to this Agreement ("Shareholder Representative Reimbursement Amount"). Subject to the next sentence, the Company or any of its Affiliates shall, if and as requested by the Shareholder Representative at any time from and after the Effective Time through the termination of this Agreement, transfer to a joint account of the Company and the Shareholder Representative funds in the amount of $100,000 less the Shareholder Representative Reimbursement Amount actually paid through that date for use as directed by the Shareholder Representative (the "Shareholder Representative Expense Amount") pursuant to this Agreement. If any amounts are required in excess of $100,000 (and, to the extent the Shareholder Representative Expense Amount has been funded, only after such amount has been fully expended), then at the request of the Shareholder Representative from time to time, the Company or an Affiliate of the Company will promptly pay such additional fees and expenses incurred at the direction of the Shareholder Representative pursuant to this Agreement and/or pre-fund to such joint account an amount reasonably specified by the Shareholder Representative in respect of expected expenses in connection with the ModusLink Sale (including payments to such advisors as the Shareholder Representative may choose to engage in connection with the ModusLink Sale) and performance of its obligations and duties hereunder (any such amount, a "Pre-Funded Amount"). Any amounts held in such joint account shall be treated as owned by the Company for all income tax purposes, any interest or other income earned with respect to such joint account shall be reported as income of the Company for tax purposes and, for the avoidance of doubt, no portion of the Shareholder Representative Reimbursement Amount, the Shareholder Representative Expense Amount or any Pre-Funded Amount shall be considered income to the Shareholder Representative for tax purposes. The parties hereto will prepare all Tax Returns in a manner consistent with the foregoing sentence. Any Shareholder Representative Reimbursement Amount and any amounts (and only such amounts) actually spent from the Shareholder Representative Expense Amount or Pre-Funded Amounts shall be included in the calculation of ModusLink Sale Expenses hereunder. Any funds from the Shareholder Representative Expense Amount or Pre-Funded Amounts that remain unused on the earlier of the consummation of the Entire ModusLink Sale and the Sale Deadline (taking into account the completion of the procedures set forth in Section 2.4) shall be distributed from the joint account to the Company five (5) Business Days after the payment of the ModusLink CVR Payment Amount. For the avoidance of doubt, the Company or one of its Affiliates shall pay all ModusLink Sales Expenses, including any such ModusLink Sale Expenses incurred at the direction of the Shareholder Representative, subject to the deduction of such ModusLink Sale Expenses from the payments to the Holders as is provided for hereunder. Notwithstanding the foregoing, after the completion of an Entire ModusLink Sale, the Company's consent, which shall not be unreasonably withheld, will be required for any fees or expenses that the Shareholder Representative may wish to incur pursuant to this Section 3.3(b), to the extent that the aggregate amount of such fees and expenses would exceed the amount of deferred consideration reasonably expected from such Entire ModusLink Sale.

(c) The Company agrees, in all events (i) to pay the fees and expenses of the Rights Agent in connection with this Agreement as set forth on Schedule 3.3(c) hereto and (ii) to reimburse the Rights Agent for all taxes and governmental charges (other than taxes measured by the Rights Agent's income) and reasonable and customary out-of-pocket expenses (including reasonable and customary fees and expenses of the Rights Agent's counsel) paid or incurred by the Rights Agent in connection with the preparation, delivery, amendment, administration and execution of this Agreement and the exercise and performance of its duties hereunder. Any invoice for any out-of-pocket expenses and per item fees realized will be rendered and payable by the Company within thirty (30) days after receipt by the Company, except for postage and mailing expenses, which funds must be received one (1) Business Day prior to the scheduled mailing date. For the avoidance of doubt, such fees, expenses and reimbursements contained in this Section 3.3 shall be ModusLink Sale Expenses.

Section 3.4 Resignation and Removal of Rights Agent and Shareholder Representative; Appointment of Successor.

(a) The Rights Agent may resign at any time by giving written notice thereof to the Company (with a copy to Parent) and the Shareholder Representative specifying a date when such resignation shall take effect, which notice shall be sent at least thirty (30) days prior to the date so specified. Any individual members of the committee that comprises or controls the Shareholder Representative may resign at any time by giving written notice thereof to the Company (with a copy to Parent), the Rights Agent and the Holders specifying a date when such resignation shall take effect, which notice shall be sent at least thirty (30) days prior to the date so specified.

(b) If at any time the Rights Agent shall resign, be removed or become incapable of acting, the Company, by a Board Resolution, shall promptly appoint a qualified successor Rights Agent reasonably satisfactory to the Shareholder Representative. The successor Rights Agent so appointed shall, upon its acceptance of such appointment in accordance with this Section 3.4(b), become the successor Rights Agent.

(c) If (i) a successor Rights Agent has not been appointed pursuant to Section 3.4(b) and has not accepted such appointment within thirty (30) days after the initial Rights Agent delivers notice of its resignation pursuant to Section 3.4(a) or (ii) at any time the Rights Agent shall become incapable of acting, the incumbent Rights Agent, the Shareholder Representative or the Company may petition any court of competent jurisdiction for the removal of the Rights Agent, if applicable, and the appointment of a successor Rights Agent.

(d) If at any time any individual members of the committee that comprises or controls the Shareholder Representative shall resign, be removed or become incapable of acting, the remaining members of the committee that comprises or controls the Shareholder Representative shall promptly appoint a qualified successor individual member to such committee. If the individual members of the committee that comprises or controls the Shareholder Representative unanimously determine that a third committee member would be appropriate, then the members of the committee that comprises or controls the Shareholder Representative shall appoint, upon unanimous agreement, a qualified individual member to such committee. The successor or additional individual member so appointed shall, forthwith upon its acceptance of such appointment in accordance with this Section 3.4(d), become a successor or additional individual member of the committee comprising the Shareholder Representative; provided, that (x) such successor or additional individual member of the committee comprising the Shareholder Representative may not be a director, officer or employee of the Company or any of its Affiliates and (y) the Company agrees to indemnify the Shareholder Representative for any and all actions taken in connection with this Section 3.4(d).

(e) The Company shall give written notice of each resignation and each removal of a Rights Agent or individual member of the committee comprising the Shareholder Representative and each appointment of a successor Rights Agent or individual member of the committee comprising the Shareholder Representative to the then acting members of the committee comprising the Shareholder Representative or then acting Rights Agent, as applicable, within ten (10) days after acceptance of appointment by a successor Rights Agent or individual member of the committee comprising the Shareholder Representative. If requested, the Rights Agent (or successor Rights Agent) shall mail notice of each resignation and each removal of a Rights Agent or individual member of the committee comprising the Shareholder Representative and each appointment of a successor Rights Agent or individual member of the committee comprising the Shareholder Representative to the Holders within ten (10) days after receipt of notice thereof and all necessary information from the Company. Each such notice provided to the Rights Agent, Shareholder Representative, or Holders shall include the name and address of the successor Rights Agent or Shareholder Representative, as applicable.

Section 3.5 Acceptance of Appointment by Successor.

Every successor Rights Agent or Shareholder Representative appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Rights Agent or Shareholder Representative, as applicable, an instrument accepting such appointment and a counterpart of this Agreement, and thereupon such successor Rights Agent or Shareholder Representative, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Rights Agent or Shareholder Representative (as applicable); but, on request of the Company or the successor Rights Agent, such retiring Rights Agent shall execute and deliver an instrument transferring to such successor Rights Agent all the rights, powers and trusts of the retiring Rights Agent.

ARTICLE IV
ADDITIONAL COVENANTS

Section 4.1 Operations.

From and after the Effective Time until the consummation of the Entire ModusLink Sale or the Sale Deadline, whichever is earlier, (i) the Company shall, upon request of the Shareholder Representative and to the extent legally permissible (and subject to the Shareholder Representative's entry into a customary non-disclosure agreement to the extent required by applicable Law or any agreements binding on the Company with respect to ModusLink), reasonably promptly provide to the Shareholder Representative all information reasonably requested relating to ModusLink, and (ii) the Company shall use commercially reasonable efforts to procure that (A) the ModusLink Business will be operated substantially in the ordinary course of business consistent with past practice and (B) ModusLink will distribute any proceeds received with respect to any Partial ModusLink Sale or the Entire ModusLink Sale to the Company or any Company Subsidiary such that it may be distributed to the Holders.

Section 4.2 List of Holders.

The Company shall furnish or cause to be furnished to the Rights Agent, in such form as the Company receives from the transfer agent of the Company, or from such other agent performing similar services for the Company, or from the Company's internal records with regard to the capitalization of the Company, including without limitation the names and addresses of the Holders and the number of CVRs held by each such Holder, within five (5) Business Days of the Effective Time.

Section 4.3 ModusLink Sale Process.

From and after the Effective Time until the consummation of the Entire ModusLink Sale or the Sale Deadline, whichever is earlier, Parent shall be responsible for conducting the sale process of ModusLink (or, to the extent a ModusLink Sale involving a sale of Equity Interests is contemplated, responsible for overseeing and making any decisions on behalf of the Company with respect to such sale process of ModusLink) and shall be empowered to take all actions necessary or advisable in order to consummate a ModusLink Sale, including retaining advisors in connection with the ModusLink Sale, soliciting potential purchasers for the Equity Interests owned by the Company and any Company Subsidiary and determining which purchaser to select, negotiating the terms and conditions of any ModusLink Sale Agreement, including the purchase price for the Equity Interests owned by the Company and any Company Subsidiary, complying with any applicable provisions of ModusLink's governing documents (including the By-Laws), including with respect to rights of first refusal or similar provisions, and effectuating the consummation of such ModusLink Sale.

Section 4.4 Books and Records.

The Company shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to keep true, complete and accurate records in sufficient detail to enable the Shareholder Representative and its consultants or professional advisors to determine the amounts payable hereunder.

ARTICLE V
AMENDMENTS

Section 5.1 Amendments Without Consent of Holders.

(a) Without the consent of any Holders, the Rights Agent, or the Shareholder Representative, the Company (when authorized by a Board Resolution), at any time and from time to time, may enter into one or more amendments hereto, subject to Section 6.1, to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein.

(b) Without the consent of any Holders, the Company (when authorized by a Board Resolution), the Shareholder Representative and the Rights Agent, at any time and from time to time, may enter into one or more amendments hereto, for any of the following purposes:

(i) to evidence the removal or replacement of the Rights Agent or any individual member of the committee comprising the Shareholder Representative and the succession of another Person as a successor Rights Agent or individual member of the committee comprising or controlling the Shareholder Representative, as applicable, and the assumption by any successor of the obligations of the Rights Agent or Shareholder Representative, as applicable, herein, in accordance with Sections 3.4 and 3.5;

(ii) to add to the covenants of the Company such further covenants, restrictions, conditions or provisions as the Company, the Rights Agent and the Shareholder Representative shall consider to be for the protection of the Holders; provided, that, in each case, such provisions shall not adversely affect the interests of the Holders as determined by the Shareholder Representative;

(iii) to cure any ambiguity, to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement; provided, that, in each case, such provisions shall not adversely affect the interests of the Holders as determined by the Shareholder Representative; or

(iv) as may be necessary to ensure that the CVRs are not subject to registration under the Securities Act or the Exchange Act.

(c) Promptly after the execution by the Company (and the Rights Agent, as applicable), of any amendment pursuant to the provisions of this Section 5.1, the Company will mail (or cause the Rights Agent to mail) a notice thereof by first class mail to the Holders at their addresses as they appear on the CVR Register, setting forth such amendment.

Section 5.2 Amendments with Consent of the Shareholder Representative.

(a) With the written consent of the Shareholder Representative, the Company (when authorized by a Board Resolution), the Shareholder Representative and the Rights Agent may enter into one or more amendments hereto for the purpose of adding, eliminating or changing any provisions of this Agreement, even if such addition, elimination or change is adverse to the interest of the Holders.

(b) Promptly after the execution by the Company, the Shareholder Representative and the Rights Agent of any amendment pursuant to the provisions of this Section 5.2, the Company will mail (or cause the Rights Agent to mail) a notice thereof by first class mail to the Holders at their addresses as they appear on the CVR Register, setting forth such amendment.

Section 5.3 Execution of Amendments.

In executing any amendment permitted by this ARTICLE V, the Rights Agent will be entitled to receive, and will be fully protected in relying upon, an opinion of counsel selected by the Company stating that the execution of such amendment is authorized or permitted by this Agreement. The Rights Agent may, but is not obligated to, enter into any such amendment that affects the Rights Agent's own rights, privileges, covenants or duties under this Agreement or otherwise.

Section 5.4 Effect of Amendments.

Upon the execution of any amendment permitted under this ARTICLE V, this Agreement shall be modified in accordance therewith, such amendment shall form a part of this Agreement for all purposes and each Holder, Parent, the Company, the Shareholder Representative and the Rights Agent shall be bound thereby.

ARTICLE VI
CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 6.1 Company Consolidation, Merger, Sale or Conveyance.

(a) From and after the Effective Time until such time as all of the Company's payment obligations shall have been discharged, the Company shall not consolidate with or merge into any other Person or convey, assign, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(i) in the case that the Company shall consolidate with or merge into any other Person or convey, assign, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance or transfer, or that leases, the properties and assets of the Company substantially as an entirety (the "Surviving Person") shall expressly assume payment of amounts on all the CVRs and the performance of every duty and covenant of this Agreement on the part of the Company to be performed or observed; and

(ii) prior to such transaction, the Company has delivered to the Shareholder Representative an Officer's Certificate stating that such consolidation, merger, conveyance, transfer or lease complies with this ARTICLE VI and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) For purposes of this Section 6.1, "convey, transfer or lease its properties and assets substantially as an entirety" shall mean properties and assets contributing in the aggregate at least a majority of the Company's and its Subsidiaries' total consolidated revenues as reported in the last available periodic financial report (quarterly or annual, as the case may be).

(c) In the event the Company conveys, transfers or leases its properties and assets substantially as an entirety in accordance with the terms and conditions of this Section 6.1, the Company and the Surviving Person shall be jointly and severally liable for the payment of the ModusLink CVR Payment Amount and the performance of every duty and covenant of this Agreement on the part of the Company to be performed or observed. Notwithstanding anything to the contrary contained herein, no consolidation, merger, sale, conveyance or assignment involving the Company shall relieve the Company of its obligations and liabilities to the Rights Agent hereunder, unless by written consent of the Rights Agent, such consent not to be unreasonably withheld, conditioned or delayed.

Section 6.2 Successor Substituted.

Upon any consolidation of or merger by the Company with or into any other Person, or any conveyance, transfer or lease of the properties and assets substantially as an entirety to any Person in accordance with Section 6.1, the Surviving Person shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if the Surviving Person had been named as the Company herein; provided, that notwithstanding any such transaction, if the Company is a surviving entity in the transaction, the Company shall also remain liable for the performance by the "Company" hereunder.

ARTICLE VII
OTHER PROVISIONS OF GENERAL APPLICATION

Section 7.1 Notices to Parent, the Company, the Shareholder Representative and the Rights Agent.

All communications, notices and disclosures required or permitted by this Agreement shall be in writing and will be deemed to have been given when delivered by first class mail or one (1) Business Day after having been dispatched for next-day delivery by a nationally recognized overnight courier service to the appropriate party at the address specified below:

If to the Company or Parent, to:

_____

_____

Attention: _____
Email: _____

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

_____

_____

Attention: _____
Email: _____

If to the Shareholder Representative, to:

_____

_____

Attention: _____
Email: _____

With copies (which shall not constitute notice) to:

_____

_____

Attention: _____
Email: _____

If to the Rights Agent, to:

_____

_____

Attention: _____
Email: _____

With a copy to:

_____

_____

Attention: _____

Email: _____

Section 7.2 Notice to Holders.

Where this Agreement provides for notice to Holders, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing, sent by overnight courier (providing proof of delivery) or mailed, first-class postage prepaid, to each Holder affected by such event, at his, her or its address as it appears in the CVR Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Section 7.3 Counterparts; Headings.

This Agreement may be executed in one or several counterparts (whether by facsimile, pdf or otherwise), each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties (including by facsimile or other electronic image scan transmission). The Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

Section 7.4 Assignment; Successors.

(a) Subject to Section 6.1, neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned by any of the parties (whether by operation of Law or otherwise) without the prior written consent of the other parties; provided, that any entity into which the Rights Agent may be merged or consolidated, or any entity resulting from any merger or consolidation to which the Rights Agent shall be a party, or any entity to which the Rights Agent shall sell or otherwise transfer all or substantially all of its assets and business, shall be the successor Rights Agent under this Agreement upon the delivery of notice to the other parties hereto. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by all of the parties and their respective successors and assigns; provided, that this Agreement may not be enforced directly by any Holder but may only be enforced on behalf of the Holders by the Shareholder Representative.

Section 7.5 Benefits of Agreement.

Except as set forth in ARTICLE III with respect to the Shareholder Representative Persons or the Rights Agent, nothing in this Agreement, is intended to or be deemed to confer upon any Person other than the parties hereto and their respective successors and permitted assigns any rights or remedies hereunder. The Shareholder Representative shall be the sole and exclusive representative of the Holders for all matters in connection with this Agreement and this Agreement may not be enforced directly by any Holder but may only be enforced on behalf of the Holders by the Shareholder Representative.

Section 7.6 Governing Law.

This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to Laws that may be applicable under conflicts of laws principles (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. Other than with respect to disputes submitted to the Neutral Auditor under Section 2.4(g), each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court of Chancery in the State of Delaware and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby or for recognition or enforcement of any judgment relating thereto, and each of the parties hereby irrevocably and unconditionally (i) agrees not to commence any such action or proceeding except in such court, (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in such Delaware court, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in such Delaware court, and (iv) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such Delaware court. Each of the parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.1. Nothing in this Agreement will affect the right of any Party to this Agreement to serve process in any other manner permitted by Law.

Section 7.7 Waiver of Jury Trial.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.7.

Section 7.8 Remedies.

The parties hereto agree that irreparable damage would occur in the event that the parties hereto do not perform their obligations under the provisions of this Agreement (including failing to take such actions as are required of them hereunder) in accordance with its specified terms or otherwise breach such provisions. The parties acknowledge and agree that prior to the termination of this Agreement in accordance with Section 7.10, (a) the Parties shall be entitled to an injunction, specific performance, or other equitable relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof without proof of damages or the posting of any collateral, bond or other security, this being in addition to any other remedy available at law, in equity, under this Agreement or otherwise and (b) the right of injunctive relief, specific enforcement and other equitable relief is an integral part of this Agreement and transactions related hereto. The parties also agree that the non-prevailing party (as determined by a court of competent jurisdiction in a final, non-appealable order) in any litigation relating to the enforcement of this Agreement shall reimburse the prevailing party for all costs incurred by the prevailing party (including reasonable legal fees in connection with any litigation). To the extent the Shareholder Representative is the non-prevailing party, its reimbursement obligation under this Section 7.8 shall be a ModusLink Sale Expense.

Section 7.9 Severability Clause.

If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated by the Merger Agreement and this Agreement are fulfilled to the extent possible.

Section 7.10 Termination.

This Agreement and each CVR shall be terminated and of no further force or effect, and the parties hereto shall have no liability hereunder, upon the earliest to occur of (i) the date that is one (1) year following the Sale Deadline, or (ii) the written agreement of the Company and the Shareholder Representative to terminate this Agreement. Notice of any such termination will be promptly mailed by the Rights Agent, upon the written request of the Company and the Shareholder Representative and accompanied by the form of such notice, to the Holders. Notwithstanding anything to the contrary contained in this Agreement, Section 3.1, Section 3.2, Section 3.3, and this ARTICLE VII shall survive the termination of this Agreement indefinitely and the resignation, replacement or removal of the Rights Agent.

Section 7.11 Entire Agreement.

This Agreement, the Merger Agreement, all documents and instruments referenced herein and therein, and all exhibits and schedules attached to the foregoing, constitute the entire agreement of the parties (other than the Rights Agent) and supersede all other prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and thereof. If and to the extent that any provision of this Agreement is inconsistent or conflicts with the Merger Agreement, this Agreement shall govern and be controlling. Notwithstanding the foregoing, as between the Rights Agent, on the one hand, and any other person or entity, on the other hand, this Agreement alone constitutes the entire understanding and agreement of such parties with respect to the subject matter of this Agreement.

Section 7.12 Suits for Enforcement.

In a case where breach has occurred, has not been waived and is continuing, the Shareholder Representative may in its discretion proceed to protect and enforce the rights vested in it by this Agreement by such appropriate judicial proceedings as the Shareholder Representative shall deem most effectual to protect and enforce any of such rights (unless authorization and/or appearance of each of the Holders is required by applicable Law), either at Law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right vested in the Shareholder Representative by this Agreement or by Law. Notwithstanding anything to the contrary contained in this Agreement, any liability of any of the parties hereunder (including the Shareholder Representative) for breach of its obligations under this Agreement shall not (other than in connection with fraud or willful misconduct, or third party claims from third parties arising out of such party's breach of this Agreement) include any unforeseeable and remote indirect or consequential damages, or any special or punitive damages. Subject to the immediately preceding sentence, any liability of the Company may include the benefit of the bargain lost by the Holders to the extent proximately caused by such breach (taking into consideration relevant matters, including the total amount payable to such Holders under this Agreement but for such breach, the time value of money, and any costs, fees and expenses incurred by the Shareholder Representative Persons in connection therewith) which shall be deemed in such event to be damages recoverable by the Shareholder Representative for the benefit of the Holders. With respect to any party other than the Company, under no circumstances shall such party be liable for monetary damages hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc., its general partner

By: _____
Name:
Title:

STEEL CONNECT, INC.

By: _____
Name:
Title:

[SHAREHOLDER REPRESENTATIVE]

By: _____
Name:
Title:

[RIGHTS AGENT]

By: _____
Name:
Title:

[Signature Page to CVR Agreement]

EXHIBIT A

Form of Transfer Certificate

See attached.

TRANSFER CERTIFICATE

Steel Connect, Inc.
[●]
[●]
Attn: [●]

[RIGHTS AGENT]
[●]
[●]
Attention: [●]

Re: CVRs issued by Steel Connect, Inc.

Ladies and Gentlemen:

As Holder intends to transfer the above captioned CVR to ("Permitted Transferee"), for registration in the name of.

1. In connection with such transfer and in accordance with Section 2.3(c) of the Contingent Value Rights Agreement, dated as of [●], 2022, entered into by and among Steel Partners Holdings L.P., a Delaware limited partnership, Steel Connect, Inc., a Delaware corporation, [●], as rights agent, and the Shareholder Representative (the "Agreement"), the Holder hereby certifies that this transfer is a Permitted Transfer and that the Permitted Transferee is permitted to hold the CVRs in accordance with the terms of the Agreement.

2. The transfer is a Permitted Transfer for the following reason:

[Check the appropriate box and initial any applicable substatement]

☐ The CVRs are being transferred as a result of the death of a Holder by will or intestacy.

An official copy of the death certificate of the Holder and such Holder's last will and testament and a signed copy of Letters Testamentary, Letters of Administration or equivalent document dated within 60 days are being provided herewith.

An official copy of the death certificate of the Holder is being provided herewith; the Holder has no will and the CVRs are passing via the rules of intestacy.

☐ The CVRs are being transferred by instrument to an inter vivos or testamentary trust in which the CVRs are to be passed to beneficiaries upon the death of the trustee. The trustee is the Holder immediately prior to the transfer. Official copies of the death certificates and applicable trust documents authorizing distribution to the named beneficiaries are being provided herewith.

☐ The CVRs are being transferred pursuant to a court order (including a court order issued in connection with divorce, bankruptcy or liquidation). A copy of the court order and, if appointed, evidence of appointment as: Tutor, Guardian, Conservator, Committee, Attorney or Agent dated within 60 days are being provided herewith.

☐ The Holder is a corporation and the CVRs are being transferred pursuant to a distribution by the Holder to its stockholders. Such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act and the company has reasonably determined after consultation with counsel that such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act. A copy of the unanimous written consent of the board of the company or an executed copy of the corporate resolution dated within 180 days authorizing and approving such distribution (and authorizing the signing officer to effect the transaction) and a certificate by or on behalf of the company stating that that such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act are being provided herewith. Evidence of such Permitted Transferee being a shareholder of the Holder is also being provided herewith. The corporate resolution, if provided, is not executed solely by the signing officer.

☐ The Holder is a partnership and the CVRs are being transferred pursuant to a distribution by the Holder to its partners. Such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act. A copy of the current partnership agreement is being provided herewith, together with evidence of the authority of any signatory on behalf of the partnership.

☐ The Holder is a limited liability company and the CVRs are being transferred pursuant to a distribution by the Holder to its members. Such distribution does not subject the CVRs to a requirement of registration under the Securities Act or the Exchange Act. A copy of the operating agreement is being provided herewith, together with an executed copy of the resolution dated within 180 days authorizing the signing managing member/manager to effect the transaction. If the limited liability company has more than one managing member/manager, this resolution is not executed solely by the signing managing member/manager.

☐ The CVRs are being transferred by a transfer made by operation of law (including a consolidation, dissolution or merger) or without consideration in connection with the dissolution, liquidation or termination of any corporation, limited liability company, partnership or other entity. Documents sufficiently evidencing such activities are being provided herewith, together with, if such transfer by operation of law requires shareholder or board of director or similar approval, an executed copy of the resolution dated within 180 days authorizing the signing officer, managing member/manager or other signatory to effect the event. If such entity has more than one signing officer, managing member/manager or other signatory, this resolution is not executed solely by the signing officer, managing member/manager or other signatory.

3. If not previously provided to the Rights Agent and if requested by the Rights Agent, a fully completed and executed Form W-9 or Form W-8, as applicable, of the Permitted Transferee is being provided herewith.

4. All capitalized terms used but not defined herein shall have such meanings as are ascribed to such terms in the Agreement.

5. By execution hereof the Permitted Transferee agrees to be bound, as Holder, by all of the terms, covenants and conditions of the Agreement.

6. This document may be executed in one or more counterparts and by the different parties hereof on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same document. The Holder and the Permitted Transferee both understand that the Rights Agent may require a Medallion Guarantee of Signature at a level acceptable to the Rights Agent.

IN WITNESS WHEREFORE, each of the parties have caused this document to be executed individually or by their duly authorized officers or representatives as of the date set forth below.

Holder	Permitted Transferee
By:	By:
Name:	Name:
Title:	Title:
Taxpayer Identification No.	Taxpayer Identification No.
Date:	Date:

Exhibit 99.1

Steel Partners and Steel Connect Enter into Definitive Merger Agreement

NEW YORK, NY and SMYRNA, TN - June 13, 2022 – Steel Partners Holdings L.P. (NYSE: SPLP), a diversified global holding company ("Steel Partners") and Steel Connect, Inc. (NASDAQ: STCN) ("Steel Connect") today announced that they have signed a definitive merger agreement pursuant to which Steel Partners will acquire the remaining common stock of Steel Connect issued and outstanding immediately prior to the effective time of the merger. The holders of Steel Connect's outstanding shares of common stock will receive US $1.35 per share in cash and one contingent value right ("CVR") to receive their pro rata share of net proceeds, to the extent such net proceeds exceed $80 million plus certain related costs and expenses, if Steel Connect's ModusLink subsidiary is sold during the two-year period following completion of the merger.

Steel Connect's Board of Directors, acting on the unanimous recommendation of the special committee of the Board of Directors (the "Special Committee"), and the Board of Directors of Steel Partners' General Partner approved the merger agreement and the transactions contemplated by the merger agreement and resolved to recommend the stockholders adopt the merger agreement and approve the transactions contemplated by the merger agreement. The Special Committee, which is comprised solely of independent and disinterested directors of Steel Connect who are unaffiliated with Steel Partners, exclusively negotiated the terms of the merger agreement with Steel Partners, with the assistance of its independent financial and legal advisors.

Upon closing of the merger, Steel Connect will become a wholly owned subsidiary of Steel Partners. The merger is subject to approval by Steel Connect's stockholders, as well as certain other customary closing conditions. The merger is not subject to a financing condition, and is expected to occur in the second half of 2022. Steel Connect will call a meeting of its stockholders for the purpose of voting on the adoption of the merger agreement in due course.

The merger agreement includes a "go-shop" period that expires at 11:59 p.m. Eastern time on July 12, 2022, during which Steel Connect may actively solicit and consider alternative acquisition proposals. There can be no assurances that the "go-shop" process will result in a superior proposal, and Steel Connect does not intend to communicate developments regarding the process unless and until Steel Connect determines that additional disclosure is required or desirable.

Advisors

Houlihan Lokey is serving as the financial advisor to the Special Committee of Steel Connect, and Imperial Capital is serving as the financial advisor to Steel Partners. Dentons US LLP is serving as legal counsel to the Special Committee and White & Case LLP is serving as legal counsel to Steel Connect. Greenberg Traurig, LLP is serving as legal counsel to Steel Partners.

About Steel Partners Holdings L.P.

Steel Partners Holdings L.P. is a diversified global holding company that owns and operates businesses and has significant interests in leading companies in various industries, including diversified industrial products, energy, defense, supply chain management and logistics, banking and youth sports.

About Steel Connect, Inc.

Steel Connect, Inc. is a holding company whose wholly-owned subsidiary, ModusLink Corporation, serves the supply chain management markets.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of the proposed acquisition of Steel Connect by Steel Partners and their respective affiliates. In connection with the proposed merger, Steel Connect will file with the SEC and furnish to Steel Connect's stockholders a proxy statement and other relevant documents. This communication does not constitute a solicitation of any vote or approval. BEFORE MAKING ANY VOTING DECISION, STEEL CONNECT'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.

Investors will be able to obtain a free copy of the proxy statement, when available, and other relevant documents filed by Steel Connect with the SEC at the SEC's website at www.sec.gov. In addition, investors may obtain a free copy of the proxy statement, when available, and other relevant documents from Steel Connect's website at www.steelconnectinc.com or by directing a request to Steel Connect, Inc., Attn: Chief Financial Officer, 2000 Midway Lane, Smyrna, Tennessee 37167 or by calling (914) 461-1276.

Participants in the Solicitation

Steel Connect and its directors, executive officers and certain other members of management and employees of Steel Connect may be deemed to be "participants" in the solicitation of proxies from the stockholders of Steel Connect in connection with the proposed merger. Information regarding the interests of the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of Steel Connect in connection with the proposed merger, which may be different than those of Steel Connect's stockholders generally, will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. Stockholders can find information about Steel Connect and its directors and executive officers and their ownership of Steel Connect's Common Stock in Steel Connect's Annual Report on Form 10-K, filed with the SEC on October 29, 2021, and amended on November 30, 2021, and additional information about the ownership of Steel Connect's Common Stock by Steel Connect's directors and executive officers is included in their Forms 3, 4 and 5 filed with the SEC.

Forward-Looking Statements

This communication contains certain forward-looking statements that involve a number of risks and uncertainties. This communication contains forward-looking statements related to Steel Connect, Steel Partners and the proposed acquisition of Steel Connect by Steel Partners and their respective affiliates. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors. All statements other than statements of historical fact, including statements containing the words "aim," "anticipate," "are confident," "estimate," "expect," "will be," "will continue," "will likely result," "project," "intend," "plan," "believe" and other words and terms of similar meaning, or the negative of these terms, are statements that could be deemed forward-looking statements. Risks, uncertainties and other factors include, but are not limited to: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; (ii) the inability to complete the proposed merger due to the failure to obtain stockholder approval for the proposed merger or the failure to satisfy other conditions to completion of the proposed merger; (iii) the failure of the proposed merger to close for any other reason; (iv) risks related to disruption of management's attention from Steel Partners' and Steel Connect's ongoing business operations due to the transaction; (v) the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted against Steel Partners and Steel Connect and others relating to the merger agreement; (vi) the risk that the pendency of the proposed merger disrupts current plans and operations and the potential difficulties in employee retention as a result of the pendency of the proposed merger; (vii) the effect of the announcement of the proposed merger on Steel Partners' relationships with its customers, operating results and business generally; and (viii) the amount of the costs, fees, expenses and charges related to the proposed merger. Consider these factors carefully in evaluating the forward-looking statements.

The forward-looking statements included in this press release are made only as of the date of this release, and except as otherwise required by federal securities law, neither Steel Partners nor Steel Connect assume any obligation nor do they intend to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.