EXHIBIT A

AEGIS SECURITY, INC.
DRAFT STOCK PURCHASE AGREEMENT

DECEMBER 18, 2012

CONFIDENTIAL
PH DRAFT 12/17/12

STOCK PURCHASE AGREEMENT

by and among

K2 INSURANCE SERVICES, LLC,

AEGIS SECURITY, INC.,

THE SHAREHOLDERS OF AEGIS SECURITY, INC.

and

MARTIN G. LANE JR., AS SHAREHOLDER REPRESENTATIVE

DATED DECEMBER [•], 2012

TABLE OF CONTENTS

EXHIBITS

Exhibit A	-	Definitions
Exhibit B	-	Form of Contribution Agreement
Exhibit C	-	Form of Seller Note
Exhibit D	-	Form of Escrow Agreement
Exhibit E	-	Form of Purchase Price Adjustment Note
Exhibit 4.16	-	Excluded Contracts
Exhibit 5.8	-	Form of Legal Opinion
Exhibit 7.2(c)(1)	-	Form of Consulting and Board Services Agreement for Martin G. Lane Jr.
Exhibit 7.2(c)(2)	-	Form of Employment Agreement for Darleen Fritz
Exhibit 7.2(c)(3)	-	Form of Employment Agreement for William Wollyung
Exhibit 7.2(d)(1)	-	Form of Non-Competition Agreement for Martin G. Lane Jr.
Exhibit 7.2(d)(2)	-	Form of Non-Competition Agreement for Darleen Fritz
Exhibit 7.2(d)(3)	-	Form of Non-Competition Agreement for William Wollyung
Exhibit 7.2(d)(4)	-	Form of Non-Competition Agreement for William Lane
Exhibit 7.2(h)	-	Form of SAR Release
Exhibit 7.2(i)	-	Form of ESOP Participant Consent and Release
Exhibit 7.2(j)	-	Form of JGS Lease
[Exhibit 9.1	-	Specific Indemnities]

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT is made and entered into as of December [•], 2012, by and among K2 Insurance Services, LLC, a Delaware limited liability company (the "Purchaser"), Aegis Security, Inc., a Pennsylvania corporation (the "Company"), the shareholders of the Company set forth on the signature pages hereto (collectively, the "Shareholders" and, each individually, a "Shareholder"), and Martin G. Lane Jr., as representative of the Company and the Shareholders (the "Shareholder Representative"). For purposes of this Agreement, capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in Exhibit A attached hereto.

RECITALS

WHEREAS, the Shareholders own all of the issued and outstanding shares of capital stock of the Company (the "Shares");

WHEREAS, upon the terms and conditions set forth herein, the Shareholders propose to sell to the Purchaser and the Purchaser proposes to purchase from the Shareholders, all of the Shares (other than the Rollover Shares) in exchange for the consideration set forth herein; and

WHEREAS, each of the Rollover Shareholders desires, immediately prior to the Closing, to contribute (the "Contribution") to the Purchaser such Rollover Shareholder's Rollover Shares in exchange for Purchaser Rollover Units pursuant to a Contribution and Subscription Agreement in the form attached hereto as Exhibit B (the "Contribution Agreement").

NOW, THEREFORE, in consideration of the respective covenants, agreements and representations and warranties set forth herein, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I
DESCRIPTION OF TRANSACTION

Section 1.1 Agreement to Purchase and Sell. Subject to the terms and conditions hereof, at the Closing, the Shareholders shall sell, assign, transfer and deliver to the Purchaser, and the Purchaser shall purchase and acquire from the Shareholders, all right, title and interest in and to the Shares (other than the Rollover Shares), free and clear of all Encumbrances.

Section 1.2 Purchase Price. Subject to adjustment pursuant to Section 1.4, the aggregate purchase price to be paid for the Shares (other than the Rollover Shares) (the "Purchase Price") shall be: (a) Forty-Six Million One Hundred Thousand Dollars ($46,100,000) (the "Cash Purchase Price"), plus (b) the issuance of the Seller Note.

Section 1.3 Payment of Purchase Price.

(a) On the Closing Date, the Purchaser shall:

(i) pay or cause to be paid to each Shareholder (by wire transfer of immediately available funds to the account and pursuant to the wire transfer instructions set forth opposite such Shareholder's name on Schedule 1.3 attached hereto) a portion of the Closing Cash Payment equal to the amount set forth opposite such Shareholder's name under the heading "Closing Cash Payment" on Schedule 1.3 attached hereto; and

(ii) issue a promissory note with an original principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000) in the form attached hereto as Exhibit C (the "Seller Note") to Martin G. Lane Jr., trustee of the Martin G. Lane Jr. Revocable Trust.

(b) Escrow. At the Closing, the Purchaser shall deliver to [•] (the "Escrow Agent") the portion of the Cash Purchase Price constituting the Escrow Amount for deposit into an escrow account (the "Escrow Account") in accordance with the terms of an escrow agreement in the form attached hereto as Exhibit D (the "Escrow Agreement"). The Escrow Amount will be deemed a reduction from the Cash Purchase Price otherwise payable to the Escrow Participants. The Escrow Amount so deposited shall be held and disbursed by the Escrow Agent in accordance with the terms of the Escrow Agreement.

(c) Reserve Account. At the Closing, the Purchaser shall deliver the portion of the Cash Purchase Price constituting the Reserve Amount to the Shareholder Representative for deposit into a bank account (the "Reserve Account") controlled by the Shareholder Representative to be used to cover the costs and expenses, if any, incurred by the Shareholder Representative in defending and/or resolving any indemnification claims brought by the Purchaser Indemnified Parties under Article IX, cash or expenses incurred by the Shareholders for services of the Accounting Referee, Independent Appraiser or Independent Actuary, or any other costs or expenses incurred by the Shareholders Representative in the performance of its obligations as Shareholders Representative. Amounts in the Reserve Account shall be disbursed by the Shareholders Representative as provided in this Agreement. The Shareholders Representative shall distribute all amounts remaining in the Reserve Account, if any, to the Shareholders (in accordance with each such Shareholder's Pro Rata Share of such remaining amount) upon the later of the termination of the Escrow Account and the resolution of all indemnification claims against the Shareholders still pending as of the termination of the Escrow Account. The Reserve Amount will be deemed a reduction from the Cash Purchase Price otherwise payable to the Shareholders.

Section 1.4 Adjustment of Purchase Price.

(a) In the event that the Purchaser believes that it is entitled to a Post-Closing Reduction in accordance with Section 1.4(d) below, then, within ninety (90) days following the date that is eighteen (18) months after the Closing Date, the Purchaser may prepare and deliver to the Shareholder Representative a schedule setting forth the Purchaser's proposed calculation of (i) the Adjusted Audited GAAP Book Value, (ii) the Adjusted Owned Real Property Value, (iii) the Redundant Reserve Adjustment Amount, and (iv) the Purchaser's calculation of the Post-Closing Reduction based on the amounts described in clauses (i) through (iii) of this sentence (the "Post-Closing Adjustment Schedule").

(b) The Shareholder Representative shall have thirty (30) days following receipt of the Post-Closing Adjustment Schedule delivered by the Purchaser pursuant to Section 1.4(a) during which to notify the Purchaser in writing (an "Objection Notice") of any dispute of any item contained therein, which Objection Notice shall set forth in detail the basis for such dispute. The Purchaser and the Shareholder Representative shall cooperate in good faith to resolve any such dispute as promptly as possible. For purposes of this Agreement, the "Final Post-Closing Adjustment Schedule" shall mean (i) the Post-Closing Adjustment Schedule delivered by the Purchaser pursuant to Section 1.4(a) if the Shareholder Representative does not deliver an Objection Notice to the Purchaser within such thirty (30)-day period or notifies the Purchaser in writing within such period that it does not dispute any item contained therein or (ii) in the event that the Shareholder Representative delivers an Objection Notice to the Purchaser within such thirty (30)-day period and has not previously notified the Purchaser in writing that it did not dispute any item contained in the Post-Closing Adjustment Schedule delivered by the Purchaser pursuant to Section 1.4(a), either (A) the final Post-Closing Adjustment Schedule agreed to in writing by the Purchaser and the Shareholder Representative or (B) the final Post-Closing Adjustment Schedule determined in accordance with Section 1.4(c) if the Purchaser and the Shareholder Representative cannot agree on the Post-Closing Adjustment Schedule. The Final Post-Closing Adjustment Schedule and the calculation of any Post-Closing Reduction set forth therein shall be final and binding upon the parties.

(c) In the event the Purchaser and the Shareholder Representative are unable to resolve any dispute regarding the Post-Closing Adjustment Schedule delivered by the Purchaser pursuant to Section 1.4(a) within fifteen (15) days following the Purchaser's receipt of a timely Objection Notice regarding such dispute:

i. any dispute with respect to the Adjusted Audited GAAP Book Value and/or the calculation of the Post-Closing Reduction and all issues having a bearing on such dispute (in each case, other than with respect to the determination of (A) the fair market value of any Owned Real Property owned by any Acquired Company as of the close of business on December 31, 2012 and still owned by any Acquired Company as of the date of determination of the Adjusted Owned Real Property Value or (B) the Company Redundant Reserve Amount, which shall be determined in accordance with clauses (ii) and (iii) below, respectively) shall be resolved by [•] or such other nationally recognized independent accounting firm agreed to by the Purchaser and the Shareholder Representative (the "Accounting Referee"). In resolving any such dispute, the Accounting Referee shall consider only those items or amounts in the Post-Closing Adjustment Schedule delivered by the Purchaser in accordance with Section 1.4(a) which the Shareholder Representative has disputed in the Objection Notice as set forth in the Objection Notice. The Accounting Referee's determination of the final Post-Closing Adjustment Schedule and the Post-Closing Reduction, if any, based thereon shall be final and binding on the parties to this Agreement; provided, that the Accounting Referee shall be bound by (A) any amounts contained in the Post-Closing Adjustment Schedule delivered by the Purchaser pursuant to Section 1.4(a) which the Shareholder Representative did not dispute in a timely Objection Notice, (B) any amounts agreed to in writing by the Purchaser and the Shareholder Representative and (C) by any determination of the fair market value of any Owned Real Property by the Independent Appraiser and/or any determination of the Company Redundant

Reserve Amount by the Independent Actuary, in each case, unless otherwise agreed to in writing by the Purchaser and the Shareholder Representative. The parties agree to use commercially reasonable efforts to cause the Accounting Referee to complete its work within thirty (30) days following its engagement. All fees and expenses of the Accounting Referee shall be shared equally by the Shareholders, on the one hand, and the Purchaser, on the other hand.

ii. any dispute with respect to the fair market value of any Owned Real Property owned by any Acquired Company as of the close of business on December 31, 2012 and still owned by any Acquired Company as of the date of the determination of the Adjusted Owned Real Property Value shall be resolved by an independent appraiser agreed to in writing by the Purchaser and the Shareholder Representative (the "Independent Appraiser"); provided, that if the Purchaser and the Shareholder Representative cannot agree on the Independent Appraiser, the Independent Appraiser shall be designated by the Accounting Referee or, if the Accounting Referee refuses to designate the Independent Appraiser, by an arbitrator appointed in accordance with Section 10.8 of this Agreement. All fees and expenses of the Independent Appraiser shall be shared equally by the Shareholders, on the one hand, and the Purchaser, on the other hand.

iii. any dispute with respect to the Company Redundant Reserve Amount shall be resolved by an independent actuary agreed to in writing by the Purchaser and the Shareholder Representative (the "Independent Actuary"); provided, that if the Purchaser and the Shareholder Representative cannot agree on the Independent Actuary, the Independent Actuary shall be designated by the Accounting Referee or, if the Accounting Referee refuses to designate the Independent Actuary, by an arbitrator appointed in accordance with Section 10.8. All fees and expenses of the Independent Actuary shall be shared equally by the Shareholders, on the one hand, and the Purchaser, on the other hand.

(d) The Purchase Price will be reduced by the amount (if such amount is greater than zero) equal to the product of (i) 1.5 multiplied by (ii) an amount equal to (A) the Adjustment Amount, minus (B) $1,500,000 (such product greater than zero, the "Post-Closing Reduction"). For purposes of this Agreement, the "Adjustment Amount" shall mean an amount equal to (i) Fifty-Four Million Dollars ($54,000,000), minus (ii) the Adjusted Audited GAAP Book Value, minus (iii) the Adjusted Owned Real Property Value, minus (iv) the Redundant Reserve Adjustment Amount; provided, that, in no event shall the Adjustment Amount be less than zero; provided, further that, if the Purchaser does not deliver a Post-Closing Adjustment Schedule to the Shareholder Representative, the Adjustment Amount shall be deemed to be zero. Within five (5) Business Days following the determination of the Final Post-Closing Adjustment Schedule, if there is a Post-Closing Reduction, (i) the Shareholder Representative and the Purchaser shall jointly instruct the Escrow Agent in writing to pay to the Purchaser by wire transfer of immediately available funds from the Escrow Account an amount (the "Post-Closing Reduction Escrow Portion") equal to the product of (A) the Escrow Participant Ownership Percentage, multiplied by (B) the amount of the Post-Closing Reduction, and (ii) the original principal amount of the Seller Note shall be offset and reduced (effective as of the Closing Date) by an amount equal to the product of (A) the Non-Escrow Participant Ownership Percentage, multiplied by (B) the amount of the Post-Closing Reduction. In the event that the Post-Closing

Reduction Escrow Portion exceeds the amount then remaining in the Escrow Account (such excess, the "Escrow Portion Excess"), the Seller Note shall be further offset and reduced (effective as of the Closing Date) by the amount of such Escrow Portion Excess. In the event that the amounts to be offset against the Seller Note pursuant to this Section 1.4(d) exceed the then remaining principal balance of the Seller Note, the Shareholders shall promptly (and in any event within ten (10) Business Days after the determination of the Post-Closing Reduction, if any) pay the amount of such excess (such excess, the "Final Reduction Excess") to the Purchaser by wire transfer of immediately available funds to the account(s) designated in writing by the Purchaser.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SHAREHOLDERS

Except as set forth on the Shareholder Disclosure Schedule, the Company and each of the Shareholders hereby, jointly and severally, represent and warrant to the Purchaser, as of the date hereof and as of the Closing Date, as set forth below. The parties hereto acknowledge and agree that each disclosure set forth in the Shareholder Disclosure Schedule is identified by reference to, or has been grouped under a heading referring to, a specific individual Section or Subsection of this Agreement and relates only to such Section or Subsection.

Section 2.1 Organization; Standing and Power; Subsidiaries.

(a) Each of the Acquired Companies (other than Cabrillo and Tidewater) is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction listed in Section 2.1(a) of the Shareholder Disclosure Schedule, which jurisdictions constitute as of the date hereof the only jurisdictions in which the character of the properties it owns, operates or leases or the nature of its activities makes such qualification necessary or advisable. Each of Cabrillo and Tidewater is a limited liability company duly organized, validly existing and in good standing under the Laws of California, has all requisite limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted, and is duly qualified to do business and is in good standing as a foreign limited liability company in each jurisdiction listed in Section 2.1(a) of the Shareholder Disclosure Schedule, which jurisdictions constitute as of the date hereof the only jurisdictions in which the character of the properties it owns, operates or leases or the nature of its activities makes such qualification necessary or advisable.

(b) Except as set forth on Section 2.1(b) of the Shareholder Disclosure Schedule, none of the Acquired Companies has conducted any business under or otherwise used, for any purpose or in any jurisdiction, any fictitious name, assumed name, trade name or other name.

(c) Section 2.1(c) of the Shareholder Disclosure Schedule accurately sets forth (i) the names of the members of the board of directors or managers, as applicable, of each Acquired Company, (ii) the names of the members of each committee of the board of directors or managers, as applicable, of each Acquired Company, and (iii) the names and titles of the officers of each Acquired Company.

(d) The Company has no Subsidiaries except for the Entities identified in Section 2.1(d) of the Shareholder Disclosure Schedule. Except for the Entities identified in Section 2.1(d) of the Shareholder Disclosure Schedule, none of the Acquired Companies owns, nor has ever owned, beneficially or otherwise, any shares or other securities of, or any direct or indirect equity or other financial interest in, any Entity. None of the Acquired Companies has agreed or is obligated to make any future investment in or capital contribution to any Entity. None of the Acquired Companies has guaranteed or is responsible or liable for any obligation of any of the Entities in which it owns or has owned any equity or other financial interest. Neither the Acquired Companies nor any of their respective shareholders or members, as applicable, has ever approved, or commenced any proceeding or made any election contemplating, the dissolution or liquidation of the business or affairs of any Acquired Company.

Section 2.2 Organizational Documents; Records. The Company has delivered to the Purchaser true, correct and complete copies of (a) the certificate of incorporation and bylaws, including all amendments thereto, of each of the Acquired Companies that is a corporation and the articles of organization and operating agreement of Cabrillo and Tidewater, (b) the stock and/or equity records of each of the Acquired Companies and (c) the minutes and other records of the meetings and other proceedings (including any actions taken by written consent or otherwise without a meeting) of the shareholders or members, as applicable, of each of the Acquired Companies, the board of directors or managers, as applicable, of each of the Acquired Companies and all committees of the board of directors or managers, as applicable, of each of the Acquired Companies (the items described in (a), (b) and (c) above, collectively, the "Company Constituent Documents"). There have been no formal meetings or other proceedings of the shareholders or members, as applicable, of the Acquired Companies, the board of directors or managers, as applicable, of the Acquired Companies or any committee of the board of directors or managers, as applicable, of the Acquired Companies that are not fully reflected in the Company Constituent Documents. There has not been any violation of the Company Constituent Documents, and none of the Acquired Companies has taken any action that is inconsistent with the Company Constituent Documents. The books of account, stock records, equity records, minute books and other records of each of the Acquired Companies are accurate and complete in all material respects, and have been maintained in accordance with all applicable Laws and prudent business practices.

Section 2.3 Authority; Binding Nature of Agreement. The Company has the absolute and unrestricted right, power and authority to enter into and perform its obligations under this Agreement and any Shareholder Related Agreement to which it is a party, and the execution, delivery and performance by the Company of this Agreement and any Shareholder Related Agreement to which it is a party have been duly authorized by all necessary action on the part of the Company and no other action or approval by the Company or any other Person is necessary

for the execution, delivery or performance of this Agreement or any Shareholder Related Agreement to which the Company is a party by the Company. Each Shareholder has the absolute and unrestricted, right, power, authority and capacity to enter into and perform its obligations under this Agreement and any Shareholder Related Agreement to which it is a party and no action or approval by such Shareholder or any other Person is necessary for the execution, delivery or performance of this Agreement or any Shareholder Related Agreement to which such Shareholder is a party by such Shareholder. This Agreement constitutes the legal, valid and binding obligation of the Company and each Shareholder, enforceable against the Company and each Shareholder in accordance with its terms, subject to (a) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (b) rules of law governing specific performance, injunctive relief and other equitable remedies (the "Bankruptcy and Equity Exception"). Upon the execution and delivery by or on behalf of the Company or a Shareholder of each Shareholder Related Agreement to which it is a party, such Shareholder Related Agreement will constitute the legal, valid and binding obligation of the Company or such Shareholder, as applicable, enforceable against the Company or such Shareholder, as applicable, in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 2.4 Absence of Restrictions and Conflicts; Required Consents. None of the execution, delivery or performance by the Company or any of the Shareholders of this Agreement or any of the Shareholder Related Agreements, nor the consummation of the transactions contemplated by this Agreement or any of the Shareholder Related Agreements, will directly or indirectly (with or without the giving of notice or the lapse of time or both):

(a) contravene, conflict with or result in a violation of any provision of any Company Constituent Document or Company Benefit Plan;

(b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the transactions contemplated by this Agreement or any of the Shareholder Related Agreements or to exercise any remedy or obtain any relief under, any Law or any order, writ, injunction, judgment or decree to which any of the Acquired Companies or Shareholders, or any of the assets owned, used or controlled by any of the Acquired Companies, is subject;

(c) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by any of the Acquired Companies or that otherwise relates to the business of the Acquired Companies or to any of the assets owned, used or controlled by any of the Acquired Companies;

(d) contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any Company Contract, or give any Person the right to (i) declare a default or exercise any remedy under any such Company Contract or under ERISA, or (ii) modify, terminate, or accelerate any right, liability or obligation of any Acquired Company under any such Company Contract, or charge any fee, penalty or similar payment to any Acquired Company under any such Company Contract; or

(e) result in the imposition or creation of any Encumbrance upon or with respect to any asset owned or used by any of the Acquired Companies.

No filing with, notice to or consent from any Person (other than the Department) is required in connection with (i) the execution, delivery or performance by the Company or any of the Shareholders of this Agreement or any of the Shareholder Related Agreements, or (ii) the consummation of any of the transactions contemplated by this Agreement or any of the Shareholder Related Agreements.

Section 2.5 Capitalization.

(a) The authorized capital stock of the Company consists of 10,000,000 shares of Company Common Stock, of which 1,788,357 shares have been issued and are outstanding. All of the outstanding shares of Company Common Stock have been duly authorized and validly issued, and are fully paid and non-assessable and are owned by the Shareholders. Each Shareholder has good, valid, transferable and marketable title to, and record and beneficial ownership of, the number of shares of capital stock set forth next to such Shareholder's name in Section 2.5(a) of the Shareholder Disclosure Schedule, free and clear of all Encumbrances, and will convey to the Purchaser at the Closing good, valid, transferable and marketable title to such shares, free and clear of all Encumbrances. Other than the shares of capital stock listed in Section 2.5(a) of the Shareholder Disclosure Schedule, none of the Shareholders own any shares of capital stock or other equity security of the Company or any option, warrant, right, call, commitment or right of any kind relating to any such share of capital stock or equity security issued. All of the outstanding shares of Company Common Stock have been issued and granted in compliance with (i) all applicable securities laws and other applicable Laws, and (ii) all requirements set forth in the Company Constituent Documents and applicable Contracts.

(b) Section 2.5(b) of the Shareholder Disclosure Schedule sets forth the authorized and issued outstanding capital stock or other equity interest of each of the Acquired Companies other than the Company (collectively, the "Subsidiary Interests"). Section 2.5(b) of the Shareholder Disclosure Schedule sets forth each Person that owns any Subsidiary Interest, together with the class and quantity of Subsidiary Interests owned by each such Person. Each Person set forth on Section 2.5(b) of the Shareholder Disclosure Schedule has good, valid, transferable and marketable title to, and record and beneficial ownership of, all of the Subsidiary Interests set forth opposite such Person's name on Section 2.5(b) of the Shareholder Disclosure Schedule and such Subsidiary Interests are free and clear of all Encumbrances. All of the Subsidiary Interests have been duly authorized and validly issued, and are fully paid and non-assessable. Other than the Subsidiary Interests listed in Section 2.5(b) of the Shareholder Disclosure Schedule, no Person owns any shares of capital stock or other equity interest of any Acquired Company (other than the Company) or any option, warrant, right, call, commitment or right of any kind relating to any such share of capital stock or equity security issued. All of the Subsidiary Interests have been issued and granted in compliance with (i) all applicable securities laws and other applicable Laws, and (ii) all requirements set forth in the Company Constituent Documents and applicable Contracts.

(c) No Acquired Company has any (i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any shares of capital stock or other securities of any Acquired Company, (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of capital stock or other securities or equity interest of any Acquired Company, (iii) Contract under which any Acquired Company is or may become obligated to sell or otherwise issue any shares of its capital stock or any other securities or equity interest of any Acquired Company, or (iv) condition or circumstance that may give rise to or provide a basis for the assertion of a claim by any Person to the effect that such Person is entitled to acquire or receive any shares of capital stock or other securities or equity interest of any Acquired Company (clauses (i) through (iv) above, collectively "Company Rights"). No Acquired Company has issued any debt securities which grant the holder thereof any right to vote on, or veto, any actions by any Acquired Company.

(d) None of the Acquired Companies is a party to or bound by any, and to the Knowledge of the Company, there are no, agreements or understandings with respect to the voting (including voting trusts and proxies) or sale or transfer (including agreements imposing transfer restrictions) of any shares of capital stock or other equity interests of any of the Acquired Companies.

(e) None of the Acquired Companies is now, or has ever been, required to file with the SEC any periodic or other reports, or any registration statement, pursuant to the Securities Act or the Exchange Act.

Section 2.6 Financial Statements; Undisclosed Liabilities.

(a) Section 2.6(a) of the Shareholder Disclosure Schedule includes true, correct and complete copies of the following financial statements and notes thereto (collectively, the "Company GAAP Financial Statements"):

(i) The audited consolidated balance sheet of the Company and its Subsidiaries as of December 31, 2010 and the audited consolidated balance sheet of the Company and its Subsidiaries as of December 31, 2011 (the "Balance Sheet"), and the related audited consolidated statements of income, shareholders' equity and cash flow of the Company and its Subsidiaries for each of the twelve (12) month periods then ended, together with the unqualified reports and opinions of Brown Schultz Sheridan & Fritz relating thereto; and

(ii) the unaudited consolidated balance sheets of the Company and its Subsidiaries as of September 30, 2012 (the "September Unaudited Interim Balance Sheet") and November 30, 2012 (the "November Unaudited Interim Balance Sheet" and, collectively with the September Unaudited Interim Balance Sheet, the "Unaudited Interim Balance Sheets") and the related unaudited consolidated statements of income, shareholders' equity and cash flow for the nine (9) month and eleven (11) month periods then ended (collectively with the Unaudited Interim Balance Sheets, the "Unaudited Interim Financial Statements").

Each Company GAAP Financial Statement: (i) is complete in all material respects and has been prepared in conformity with (A) the books and records of the Acquired Companies and

(B) GAAP applied on a consistent basis throughout the periods covered thereby (except as may be indicated in the notes to such Company GAAP Financial Statement and except that the Unaudited Interim Financial Statements have been adjusted in accordance with the Adjustment Methodology); (ii) fairly presents, in all material respects, the consolidated financial position of the Acquired Companies as of such dates and the consolidated results of operations, changes in shareholders' equity and cash flows of the Acquired Companies for the periods then ended, except that the Unaudited Interim Financial Statements (x) are subject to normal recurring year-end audit adjustments, none of which will individually or in the aggregate be material, (y) do not contain all footnotes thereto which may be required in accordance with GAAP and (z) have been adjusted in accordance with the Adjustment Methodology; and (iii) reflect only actual, bona fide transactions. No financial statement of any Person is required by GAAP to be included in the Company GAAP Financial Statements that is not so included.

(b) Section 2.6(b) of the Shareholder Disclosure Schedule includes true, correct and complete copies of the following statutory financial statements and notes thereto (collectively, the "Company Statutory Financial Statements" and, together with the Company GAAP Financial Statements, the "Company Financial Statements"):

(i) The audited annual statutory financial statements of each of the Acquired Insurance Companies for the years ended December 31, 2010 and December 31, 2011 as filed with the Department; and

(ii) the unaudited quarterly statutory financial statements of each of the Acquired Insurance Companies for the quarterly periods ended March 31, 2012, June 30, 2012 and September 30, 2012 as filed with the Department (the "Quarterly Statutory Financial Statements").

Each Company Statutory Financial Statement: (i) is complete in all material respects and has been prepared in conformity with (A) the books and records of the applicable Acquired Insurance Company, (B) all applicable Laws and (C) SAP applied on a consistent basis throughout the periods covered thereby (except as may be indicated in the notes to such Company Statutory Financial Statement); and (ii) fairly presents, in all material respects, the statutory financial position of the applicable Acquired Insurance Company as of such dates and the statutory results of operations, capital and surplus of such Acquired Insurance Company for the periods then ended, except that the Quarterly Statutory Financial Statements (x) are subject to normal recurring year-end audit adjustments, none of which will individually or in the aggregate be material, and (y) do not contain all footnotes thereto which may be required in accordance with SAP. The Acquired Insurance Companies have timely filled all required annual and quarterly statutory financial statements with the applicable Governmental Bodies.

(c) The books and records of the Acquired Companies (i) reflect all items of income and expense and all assets and liabilities required to be reflected in the Company Financial Statements in accordance with GAAP and/or SAP, as applicable, and (ii) are in all material respects complete and correct. The Acquired Companies maintain proper and adequate internal accounting controls which provide assurance that (i) transactions are executed in

accordance with management's authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and/or SAP, as applicable, and (iii) accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection thereof on a current and timely basis.

(d) There are no liabilities or obligations of any of the Acquired Companies of any kind whatsoever (absolute, accrued, contingent, determined, determinable, unmatured, unaccrued, unliquidated, unasserted, conditional or otherwise), whether known or unknown, except such liabilities or obligations (i) that are fully reflected or provided for in the Unaudited Interim Balance Sheet or the notes thereto, or (ii) that have arisen in the Ordinary Course of Business since the date of the Unaudited Interim Balance Sheet, which do not involve breaches of Contract, torts or violations of any Law and which in the aggregate are not in excess of $[•].

Section 2.7 Absence of Changes. Since the date of the September Unaudited Interim Balance Sheet:

(a) no Material Adverse Effect has occurred, and no event, occurrence, development or state of circumstances or facts has occurred that will, or could reasonably be expected to, have a Material Adverse Effect;

(b) none of the Acquired Companies has entered into any transaction or taken any other action outside the Ordinary Course of Business or inconsistent with its past practices, other than entering into this Agreement and the agreements and transactions contemplated hereby;

(c) none of the Acquired Companies has taken any action which, if it were taken after the date hereof and prior to the Closing, would constitute a breach of "(i)" through "(xxiii)" of Section 4.2(b); and

(d) none of the Acquired Companies has agreed to take, or committed to take, any of the actions referred to in clauses "(b)" or "(c)" above.

Section 2.8 Title to and Sufficiency of Assets.

(a) The Acquired Companies have good, valid, transferable and marketable title to, or valid leasehold interests in, all of their properties and assets, in each case free and clear of all Encumbrances, except for Permitted Encumbrances.

(b) The property and other assets owned by the Acquired Companies or used under enforceable Contracts constitute all of the properties and assets (whether real, personal or mixed and whether tangible or intangible) necessary and sufficient to permit the Acquired Companies to conduct their business after the Closing in accordance with their past practice and as presently planned to be conducted.

Section 2.9 Actuarial Reports; Reserves; Risk-Based Capital.

(a) The Company has delivered or made available to the Purchaser a true, correct and complete copy of each actuarial opinion, memorandum, affirmation and certification that was filed with an Governmental Body with respect to any Acquired Insurance Company since January 1, 2009, and all attachments, addenda, supplements and modifications thereto (collectively, the "Actuarial Reports"). The information and data furnished by the Acquired Insurance Companies or their Affiliates to their respective actuaries in connection with the preparation of each Actuarial Report were complete and accurate in all material respects as of the date so delivered, and the Actuarial Reports were based upon inventories of policies for the Acquired Insurance Companies at their respective times of preparation.

(b) The reserves and other liability amounts established or reflected on each Company Statutory Financial Statement, including reserves and other liability amounts in respect of the Insurance Contracts: (A) were determined in accordance with SAP applied on a consistent basis for the periods presented, (B) were computed based on reasonable actuarial assumptions in accordance with generally accepted actuarial standards applied on a consistent basis for the periods presented, (C) are fairly stated in all material respects in accordance with sound actuarial principles, and (D) are in compliance in all material respects with all applicable Laws.

(c) The Company has made available to the Purchaser true, correct and complete copies of all analyses and reports submitted by any of the Acquired Insurance Companies to any insurance regulatory authority during the twenty-four (24) months prior to the date hereof relating to their respective risk-based capital calculations. All such analyses and reports are true, correct and complete in all material respects.

Section 2.10 Bank Accounts; Receivables.

(a) Section 2.10(a) of the Shareholder Disclosure Schedule provides accurate information with respect to each account maintained by or for the benefit of each of the Acquired Companies at any bank or other financial institution including the name of the bank or financial institution, the account number and the balance as of the date hereof.

(b) All accounts receivable of the Acquired Companies (i) are valid, existing and collectible (net of the allowance for doubtful accounts set forth in the November Unaudited Interim Balance Sheet) in a manner consistent with the Acquired Companies' past practice, without resort to legal proceedings or collection agencies, (ii) represent monies due for services rendered in each case in the Ordinary Course of Business and (iii) are current and will be collected in full (net of the allowance for doubtful accounts set forth in the November Unaudited Interim Balance Sheet) when due, and are not subject to any refund or adjustment or any defense, right of set-off, assignment, restriction, security interest or other Encumbrance. There are no disputes regarding the collectibility of any such accounts receivable.

Section 2.11 Real Property.

(a) Section 2.11(a) of the Shareholder Disclosure Schedule sets forth a true, correct and complete legal description of the Owned Real Property. The Acquired Companies have good and marketable, indefeasible, fee simple title to the Owned Real Property. The

Company has delivered to the Purchaser true, correct and complete copies of the deeds and other instruments (as recorded) by which the Acquired Companies acquired the Owned Real Property, and true, correct and complete copies of all title insurance policies, abstracts, surveys and environmental reports relating to the Owned Real Property. The Acquired Companies have not leased or otherwise granted to any Person the right to use or occupy any of the Owned Real Property and there are no outstanding options, rights of first offer or first refusal or similar rights to purchase any of the Owned Real Property or any portion thereof or interest therein. All buildings, structures, and improvements (including, without limitation, fixtures, building systems and equipment), and all components thereof ("Improvements"), included in the Real Property are in good condition and repair and sufficient for the operation of the business or other activities currently conducted on such Real Property. There are no structural deficiencies or latent defects affecting any of the Improvements and, to the Company's Knowledge, there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in any material respect with the use or occupancy of the Improvements or any portion thereof in the operation of the business or other activities currently conducted on such Real Property.

(b) Section 2.11(b) of the Shareholder Disclosure Schedule includes a true, correct and complete list of the Leased Real Property and the leases under which such Leased Real Property is leased, subleased or licensed, including all amendments or modifications to such leases (the "Leases"). The Company has made available to the Purchaser complete copies of all Leases. None of the Acquired Companies is a party to any lease, sublease, license, assignment or similar arrangement under which it is a lessor, sublessor, licensor or assignor of, or otherwise makes available for use by any third party of, any portion of the Leased Real Property. With respect to each Lease, (i) the Lease is legal, valid, binding, enforceable according to its terms and in full force and effect, (ii) no Acquired Company nor, to the Knowledge of the Company, any other party to such Lease, is in breach or default under such Lease, and no event has occurred which, with notice or lapse of time or both, would constitute a material breach or default under such Lease, (iii) each Lease will continue to be legal, valid, binding, enforceable in accordance with its terms and in full force and effect immediately following the Closing, except as may result from actions that may be taken following the Closing and (iv) the Acquired Companies do not owe any brokerage commissions or finder's fees with respect to any such Lease which is not paid or accrued in full.

(c) No damage or destruction has occurred with respect to any of the Real Property for which the Acquired Companies may be liable. The improvements and fixtures on the Real Property are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted.

(d) The premises leased pursuant to each Lease are supplied with utilities and other services necessary for the operation of such premises.

(e) Except for the Permitted Encumbrances, no Real Property is subject to (i) any Encumbrances, (ii) any decree or order of a Governmental Body (or, to the Knowledge of the Company, threatened or proposed decree or order of a Governmental Body), or (iii) any

rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever.

(f) All certificates of occupancy, permits, licenses, franchises, approvals and authorizations (collectively, the "Real Property Permits") of all Governmental Bodies, board of fire underwriters, association or any other entity having jurisdiction over the Real Property, which are required or appropriate to use or occupy the Real Property as currently used or occupied have been issued and are in full force and effect. Section 2.11(f) of the Shareholder Disclosure Schedule lists all material Real Property Permits held by any of the Acquired Companies with respect to each Real Property. The Company has delivered to Purchaser a true, correct and complete copy of all Real Property Permits. None of the Acquired Companies has received any notice from any Governmental Body or other entity having jurisdiction over the Real Property threatening a suspension, revocation, modification or cancellation of any Real Property Permit and, to the Company's Knowledge, there is no basis for the issuance of any such notice or the taking of any such action.

(g) The Real Property is in compliance with all applicable building, zoning, subdivision, building, environmental, health and safety and other land use Laws, including, without limitation, The Americans with Disabilities Act of 1990, as amended, and all insurance requirements affecting the Real Property (collectively, the "Real Property Laws") and none of the Acquired Companies is in violation of any of any Real Property Laws. None of the Acquired Companies has received any notice of violation of any Real Property Law and, to the Company's Knowledge, there is no basis for the issuance of any such notice or the taking of any action for such violation. There is no pending or, to the Company's Knowledge, anticipated change in any Real Property Law that will have a material adverse effect on the ownership, lease, use or occupancy of any Real Property or any portion thereof.

Section 2.12 Personal Property.

(a) All items of tangible personal property and assets of the Acquired Companies (i) are free of defects and in good operating condition and in a state of good maintenance and repair, subject to ordinary wear and tear and (ii) were acquired and are usable in the regular and Ordinary Course of Business. All of the tangible personal property and assets of the Acquired Companies are located at the Real Property.

(b) No Person other than the Acquired Companies owns any equipment or other tangible personal property or asset that is necessary to the operation of the Company's business, except for the leased equipment, property or assets listed on Section 2.12(b) of the Shareholder Disclosure Schedule.

(c) Section 2.12(c) of the Shareholder Disclosure Schedule sets forth a true, correct and complete list and general description of each item of tangible personal property of the Acquired Companies having a book value of more than $[•].

Section 2.13 Intellectual Property.

(a) Section 2.13(a) of the Shareholder Disclosure Schedule contains a true, correct and complete list of all Company Registered Intellectual Property and all material unregistered Company Intellectual Property. All necessary registration, maintenance and renewal fees currently due in connection with Company Registered Intellectual Property have been made and all necessary documents, recordations and certifications in connection with such Company Registered Intellectual Property have been filed with the relevant Governmental Bodies for the purpose of maintaining such Company Registered Intellectual Property. The Acquired Companies have not licensed any Company Registered Intellectual Property to any third party.

(b) The Acquired Companies own, or are licensed or otherwise have the right to use, free and clear of any Encumbrances (other than Permitted Encumbrances), all Intellectual Property used in connection with the operation and conduct of its business.

(c) Section 2.13(c) of the Shareholder Disclosure Schedule sets forth a true, correct and complete list of the Company Proprietary Software. The Acquired Companies have all right, title and interest in and to all intellectual property rights in the Company Proprietary Software, free and clear of all Encumbrances, except Permitted Encumbrances. Except as permitted by applicable Contract or Law, no portion of the Company Proprietary Software contains, embodies, uses, copies, comprises or requires the work of any third party.

(d) All Company Intellectual Property which the Acquired Companies purport to own was developed by (i) an Employee working within the scope of his or her employment at the time of such development, or (ii) agents, consultants, contractors, or other Persons who have executed appropriate instruments of assignment in favor of the Acquired Companies as assignee that have conveyed to the Acquired Companies ownership of all Intellectual Property rights in the Company Intellectual Property. To the extent that any Company Intellectual Property has been developed or created by a third party for the Acquired Companies, the Acquired Companies have a written agreement with such third party with respect thereto and the Acquired Companies thereby either (i) have obtained ownership of and are the exclusive owner of, or (ii) have obtained a license (sufficient for the conduct of its business as currently conducted) to, all of such third party's Intellectual Property in such work, material or invention by operation of law or by valid assignment.

(e) Neither the Acquired Companies nor any of their products or services have infringed upon or otherwise violated, or are infringing upon or otherwise violating, the Intellectual Property of any third party. To the Knowledge of the Company, no Person has infringed upon or violated, or is infringing upon or violating, any Company Intellectual Property.

(f) The Acquired Companies are not subject to any proceeding or outstanding decree, order, judgment, agreement or stipulation (i) restricting in any manner the use, transfer or licensing by the Acquired Companies of any of the Company Intellectual Property or (ii) that may affect the validity, use or enforceability of the Company Intellectual Property or any product or service of the Acquired Companies related thereto.

(g) None of the source code of the Acquired Companies has been published or disclosed by the Acquired Companies, except pursuant to a written non-disclosure agreement that is in the standard form used by the Acquired Companies or similar agreement requiring the recipient to keep such source code or trade secrets confidential, or, to the Knowledge of the Company, by any third party to any other third party except pursuant to licenses or other Contracts requiring such third party to keep such trade secrets confidential.

(h) The Acquired Companies have taken reasonable steps to protect their rights in the Confidential Information and any trade secret or confidential information of third parties used by the Acquired Companies, and, except under confidentiality obligations, there has not been any disclosure by the Acquired Companies of any Confidential Information or any such trade secret or confidential information of third parties.

Section 2.14 Contracts.

(a) Section 2.14(a) of the Shareholder Disclosure Schedule sets forth a true, correct and complete list of the following Contracts currently in force to which an Acquired Company is a party or under which an Acquired Company has continuing rights, liabilities and/or obligations:

(i) each Contract that requires expenditures by an Acquired Company in excess of $[●] in any twelve (12) month period;

(ii) each Contract that provides for payments to be received by an Acquired Company in excess of $[●] in any twelve (12) month period;

(iii) each Contract relating to the employment of, or the performance of services by, any Person, including any Employee, consultant or independent contractor;

(iv) each Contract relating to the acquisition, transfer, use, development, sharing or license of any technology or any Intellectual Property;

(v) all Contracts that (A) limit, or purport to limit, the ability of any of the Acquired Companies, or any officers, directors, Employees, shareholders or other equity holders, agents or representatives of any of the Acquired Companies (in their capacities as such) to compete in any line of business or with any Person or in any geographic area or during any period of time, (B) would by their terms purport to be binding upon or impose any obligation upon the Purchaser or any of its Affiliates (other than the Acquired Companies), (C) contain any so called "most favored nation" provisions or any similar provision requiring any of the Acquired Companies to offer a third party terms or concessions (including levels of service or content offerings) at least as favorable as offered to one or more other parties or (D) provide for "exclusivity," preferred treatment or any similar requirement or under which any of the Acquired Companies is restricted with respect to distribution, licensing, marketing, co-marketing or development;

(vi) each Contract creating or involving any agency relationship, distribution arrangement or franchise relationship;

(vii) each Contract relating to the acquisition, issuance or transfer of any securities or other equity interest;

(viii) bonds, debentures, notes, credit or loan agreements or loan commitments, mortgages or other similar Contracts relating to the borrowing of money or the deferred purchase price of property or binding upon any properties or assets (real, personal or mixed, tangible or intangible) of the Acquired Companies;

(ix) each Contract relating to the creation of any Encumbrance with respect to any asset of the Acquired Companies;

(x) each Contract involving or incorporating any guaranty, any pledge, any performance or completion bond, any indemnity or any surety arrangement (other than insurance policies issued by the Acquired Insurance Companies in the Ordinary Course of Business);

(xi) each Contract creating or relating to any partnership or joint venture or any sharing of revenues, profits, losses, costs or liabilities (other than insurance policies issued by the Acquired Insurance Companies in the Ordinary Course of Business);

(xii) each Contract relating to the purchase, use or sale of any asset by or to, or the performance of any services by or for, any Related Party;

(xiii) each Contract constituting or relating to a Government Contract or Government Bid;

(xiv) each Contract providing for "earn outs," "performance guarantees" or other similar contingent payments, by or to the Acquired Companies;

(xv) Contracts for capital expenditures or the acquisition or construction of fixed assets requiring the payment by any Acquired Company of an amount in excess of $[●];

(xvi) Contracts for the cleanup, abatement or other actions in connection with any Materials of Environmental Concern, the remediation of any existing environmental condition or relating to the performance of any environmental audit or study;

(xvii) Contracts granting any Person an option or a right of first refusal, first-offer or similar preferential right to purchase or acquire any assets of any Acquired Company;

(xviii) Contracts for the granting or receiving of a license, sublicense or franchise or under which any Person is obligated to pay or has the right to receive a royalty, license fee, franchise fee or similar payment;

(xix) each Contract between any Acquired Insurance Company and any Producer;

(xx) each Reinsurance Agreement;

(xxi) outstanding powers of attorney empowering any Person to act on behalf of any Acquired Company;

(xxii) each Contract that was entered into outside the Ordinary Course of Business; and

(xxiii) any other Contract that is material to any Acquired Company, individually or in the aggregate.

(b) The Company has delivered to the Purchaser true, correct and complete copies of all written Company Contracts. Section 2.14(b) of the Shareholder Disclosure Schedule provides a true, correct and complete description of the terms of each Company Contract that is not in written form. Each Company Contract is valid and in full force and effect, is enforceable by the Acquired Companies in accordance with its terms, and after the Closing will continue to be legal, valid, binding and enforceable on identical terms. The consummation of the transactions contemplated hereby shall not (either alone or upon the occurrence of additional acts or events) result in any payment or payments becoming due from any of the Acquired Companies, the Purchaser or any of its Affiliates to any Person or give any Person the right to terminate or alter the provisions of any Company Contract.

(c) There is no term, obligation, understanding or agreement that would modify any term of a written Company Contract or any right or obligation of a party thereunder which is not reflected on the face of such Contract.

(d) None of the Acquired Companies has violated or breached, or committed any default under, any Company Contract, and, to the Knowledge of the Company, no other Person has violated or breached, or committed any default under, any Company Contract.

(e) No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to, (i) result in a violation or breach of any of the provisions of any Company Contract, (ii) give any Person the right to declare a default or exercise any remedy under any Company Contract, (iii) give any Person the right to accelerate the maturity or performance of any Company Contract or (iv) give any Person the right to cancel, terminate or modify any Company Contract.

(f) None of the Acquired Companies has received any notice or other communication regarding any actual or possible violation or breach of, or default under, any Company Contract.

(g) None of the Acquired Companies has waived any of its rights under any Company Contract.

(h) No Person is renegotiating, or has a right pursuant to the terms of any Company Contract to renegotiate, any amount paid or payable to the Acquired Companies under any Company Contract or any other material term or provision of any Company Contract.

Section 2.15 Compliance with Laws; Governmental Authorizations.

(a) Each of the Acquired Companies is, and has at all times been, in material compliance with all applicable Laws. None of the Acquired Companies has received any notice or other communication from any Governmental Body regarding any actual or possible violation of, or failure to comply with, any Law.

(b) Section 2.15(b) of the Shareholder Disclosure Schedule identifies each Governmental Authorization held by any of the Acquired Companies, and the Company and the Shareholders have delivered, or caused to be delivered, to the Purchaser true, correct and complete copies of all such Governmental Authorizations. The Governmental Authorizations held by the Acquired Companies are valid and in full force and effect, and collectively constitute all Governmental Authorizations necessary to enable each of the Acquired Companies to conduct its business in the manner in which its business is currently being conducted and as presently planned to be conducted. Each of the Acquired Companies is in compliance with the terms and requirements of the respective Governmental Authorizations held by such Acquired Company. None of the Acquired Companies has received any notice or other communication from any Governmental Body regarding (i) any actual or possible violation of or failure to comply with any term or requirement of any Governmental Authorization, or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any Governmental Authorization.

Section 2.16 Tax Matters.

(a) All Tax Returns due to have been filed by the Acquired Companies through the date hereof have been prepared in accordance with all applicable Laws, have been timely filed (taking into account any valid extensions of time), and are true, correct and complete in all material respects.

(b) All Taxes, deposits and other payments for which any Acquired Company has liability (whether or not shown on any Tax Return) have been paid in full or are accrued as liabilities for Taxes on the books and records of the Acquired Companies, as applicable.

(c) The amounts so paid, together with all amounts accrued as liabilities for Taxes (including Taxes accrued as currently payable but excluding any accrual to reflect timing differences between book and Tax income) on the books of the Acquired Companies, shall be adequate based on the tax rates and applicable Laws in effect to satisfy all liabilities for Taxes of the Acquired Companies in any jurisdiction through the Closing Date, including Taxes accruable upon income earned through the Closing Date.

(d) There are not now any extensions of time in effect with respect to the dates on which any Tax Returns were or are due to be filed by any Acquired Company.

(e) Section 2.16(e) of the Shareholder Disclosure Schedule contains a list of all jurisdictions (whether foreign or domestic) in which each Acquired Company files Tax Returns. No claim has ever been made by a Governmental Body in a jurisdiction where any Acquired Company does not file Tax Returns that it is or may be subject to taxation or to a requirement to file Tax Returns in that jurisdiction.

(f) All Tax deficiencies asserted as a result of any examination by a Governmental Body of a Tax Return of any Acquired Company have been paid in full, accrued on the books of the Acquired Company, as applicable, or finally settled, and no issue has been raised in any such examination that, by application of the same or similar principles, reasonably could be expected to result in a proposed Tax deficiency for any other period not so examined.

(g) No claims have been asserted and no proposals or deficiencies for any Taxes of any Acquired Company are being asserted, proposed or, to the Knowledge of the Company, threatened. To the Knowledge of the Company, there are no grounds for any such claims, proposals, or deficiencies. No audit or investigation of any Tax Return of the any Acquired Company is currently underway, pending or threatened.

(h) The Acquired Companies have withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, shareholder, or other third party and have filed all federal, state, local and foreign returns and reports with respect to employee income Tax withholding, social security, unemployment, and other similar Taxes, all in compliance with the withholding provisions of the Code, or any prior provision of the Code and other applicable Laws.

(i) There are no outstanding waivers or agreements between any Governmental Body and any Acquired Company for the extension of time for the assessment of any Taxes or deficiency thereof, nor are there any requests for rulings, outstanding subpoenas or requests for information, notices of proposed reassessment of any property owned or leased by any Acquired Company or any other matter pending between an Acquired Company and any Governmental Body.

(j) There are no Encumbrances for Taxes with respect to any Acquired Company or the assets or properties of any Acquired Company, nor is there any such Encumbrance that is pending or, to the Knowledge of the Company, threatened.

(k) No Acquired Company is a party to or bound by any Tax allocation or sharing agreement.

(l) No Acquired Company has been a member of an "affiliated group" of corporations (within the meaning of Code § 1504) filing a consolidated federal income tax return (other than a group the common parent of which was the Company).

(m) No Acquired Company has any liability for the Taxes of any Person (other than for itself) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise.

(n) None of the Tax Returns described in Subsection (a) of this Section 2.16 contains any position which is or would be subject to penalties under Section 6662 of the Code (or any similar provision of provincial, state, local or foreign law) and the Treasury Regulations issued thereunder.

(o) No Acquired Company has made any payments, is obligated to make any payments, or is a party to any Contract that could obligate it to make any payments that will not be fully deductible under Section 280G of the Code (or any similar provision of provincial, state, local or foreign Law).

(p) The Acquired Companies are, and have at all times been, in compliance with the provisions of Section 6011, 6111 and 6112 of the Code relating to tax shelter disclosure, registration and list maintenance and with the Treasury Regulations thereunder.

(q) No Acquired Company has, at any time, engaged in or entered into a "listed transaction" within the meaning of Treasury Regulation Sections 1.6011-4(b)(2), 301.6111-2(b)(2) or 301.6112-1(b)(2)(A), and no IRS Form 8886 has been filed with respect to any Acquired Company nor has any Acquired Company entered into any tax shelter or listed transaction with the sole or dominant purpose of the avoidance or reduction of a Tax liability with respect to which there is a significant risk of challenge of such transaction by a Governmental Body.

(r) No Acquired Company has, directly or indirectly, transferred property to or acquired property from a Person with whom it was not dealing at arm's length for consideration other than consideration equal to the fair market value of the property at the time of the disposition or acquisition thereof.

(s) No Acquired Company will be required to include any item of income in, or exclude any item of deduction from, taxable income for any Tax period after the Closing Date as a result of any (i) change in method of accounting for a Tax period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date, (iii) installment sale or open transaction disposition made on or prior to the Closing Date, (iv) prepaid amount received on or prior to the Closing Date, (v) indebtedness discharged with respect to which an election has been made under Section 108(i) of the Code, or (vi) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or foreign income Tax law).

(t) No Acquired Company has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(u) The Acquired Companies have collected all material sales, value-added and use Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Body (or have been furnished properly completed

exemption certificates and have maintained all such records and supporting documents in the manner required by all applicable sales and use Tax statutes and regulations).

(v) No Acquired Company has any net operating losses or other tax attributes presently subject to limitation under Code Section 382, 383, 384 or the federal consolidated return regulations (or any corresponding or similar provision of state, local or foreign income Tax law).

(w) No Acquired Company has a permanent establishment, office, or other fixed place of business in any jurisdiction outside the United States.

Section 2.17 Employee Benefit Plans.

(a) Section 2.17(a) of the Shareholder Disclosure Schedule contains a true, correct and complete list of each Company Benefit Plan and ERISA Affiliate Plan. Any special tax status or tax benefits for plan participants enjoyed or offered by a Company Benefit Plan or ERISA Affiliate Plan is noted on such schedule.

(b) With respect to each Company Benefit Plan and ERISA Affiliate Plan identified on Section 2.17(a) of the Shareholder Disclosure Schedule, the Company has heretofore delivered to the Purchaser true, correct and complete copies of the plan documents and any amendments thereto (or, in the event the plan is not written, a written description thereof), any related trust and amendments thereto, insurance contract or other funding vehicle, any reports or summaries required under all applicable Laws, including ERISA or the Code, the most recent determination or opinion letter received from the Internal Revenue Service ("IRS") with respect to each current Company Benefit Plan or ERISA Affiliate Plan intended to qualify under Code Section 401, nondiscrimination and coverage tests for the most recent three (3) full plan years, the three (3) most recent annual reports (Form 5500) filed with the IRS and financial statements (if applicable), the three (3) most recent actuarial reports or valuations (if applicable) and such other documentation with respect to any Company Benefit Plan or ERISA Affiliate Plan (whether current or not) as is reasonably requested by the Purchaser.

(c) The records of the Acquired Companies accurately reflect the employment or service histories of its Employees, independent contractors, contingent workers and leased employees, including their hours of service.

(d) With respect to each Company Benefit Plan, (i) there has not occurred any non-exempt "prohibited transaction" within the meaning of Section 4975(c) of the Code or Section 406 of ERISA that would subject the Acquired Companies, their officers, directors, or employees, or the Purchaser to any material liability or indemnification obligation, and (ii) no fiduciary (within the meaning of Section 3(21) of ERISA) of any Company Benefit Plan that is subject to Part 4 of Title I of ERISA has committed a breach of fiduciary duty that would subject an Acquired Company or the Purchaser to any liability or indemnification obligation. No Acquired Company has incurred any excise taxes under Chapter 43 of the Code and nothing has occurred with respect to any Company Benefit Plan that would reasonably be expected to subject the Acquired Companies or the Purchaser to any such taxes. The transactions contemplated by

this Agreement will not trigger any Taxes under Section 4978 of the Code. No Company Benefit Plan or ERISA Affiliate Plan is or has ever been subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, and no Company Benefit Plan or ERISA Affiliate Plan is or was a "multiemployer plan" (as defined in Section 3(37) of ERISA), a "multiple employer plan" (within the meaning of Section 413(c) of the Code), or a "multiple employer welfare arrangement" (as defined in Section 3(40)(A) of ERISA), nor have the Acquired Companies or any of their ERISA Affiliates ever sponsored, maintained, contributed to, or had any liability or obligation with respect to, any such Company Benefit Plan or ERISA Affiliate Plan.

(e) Each Company Benefit Plan or ERISA Affiliate Plan has been established, registered, qualified, invested, operated and administered in all respects in accordance with its terms and in compliance with all Applicable Benefit Laws, including but not limited to the requirements of Code Sections 401, 409, 501, and 4975 to the extent applicable. The Acquired Companies have performed and complied in all respects with all of their obligations under or with respect to the Company Benefit Plans. No Acquired Company has incurred, and no fact exists that reasonably could be expected to result in, any liability to the Acquired Companies with respect to any Company Benefit Plan or any ERISA Affiliate Plan, including any liability, tax, penalty or fee under any Applicable Benefit Law (other than to pay premiums, contributions or benefits in the Ordinary Course of Business). There are no current or, to the Knowledge of the Company, threatened or reasonably foreseeable Encumbrances on any assets of any Company Benefit Plan or ERISA Affiliate Plan.

(f) No fact or circumstance exists that could adversely affect the tax-exempt status of a Company Benefit Plan or ERISA Affiliate Plan that is intended to be tax-exempt. Further, each such plan intended to be "qualified" within the meaning of Section 401(a) of the Code and the trusts maintained thereunder that are intended to be exempt from taxation under Section 501(a) of the Code has received a currently effective favorable determination or opinion letter with respect to all Applicable Benefits Laws on which the IRS will issue a favorable determination letter on its qualification, and nothing has occurred subsequent to the date of such favorable determination letter that could adversely affect the qualified status of any such plan.

(g) There is no pending or, to the Knowledge of the Company, threatened (i) complaint, claim, charge, suit, proceeding or other action of any kind with respect to any Company Benefit Plan or ERISA Affiliate Plan (other than a routine claim for benefits in accordance with such Company Benefit Plan's or ERISA Affiliate Plan's claims procedures and that have not resulted in any litigation) or (ii) proceeding, examination, audit, inquiry, investigation, citation, or other action of any kind in or before any Governmental Body with respect to any Company Benefit Plan or ERISA Affiliate Plan and there exists no state of facts that after notice or lapse of time or both reasonably could be expected to give rise to any such claim, investigation, examination, audit or other proceeding or to affect the registration of any Company Benefit Plan or ERISA Affiliate Plan required to be registered. All benefit claims will be paid in accordance with Applicable Benefit Laws and the terms of the applicable Company Benefit Plan or ERISA Affiliate Plan.

(h) All contributions and premium payments (including all employer contributions and employee salary reduction contributions) that are due with respect to each Company Benefit Plan have been made within the time periods prescribed by ERISA and the Code, and all contributions and premium payments for any period ending on or before the Closing Date that are an obligation of an Acquired Company and not yet due have either been made to such Company Benefit Plan, or have been accrued on the Company Financial Statements. Adequate reserves will be reflected on the Final Working Capital Schedule for any vacation, sick pay, and other paid time off (i) accrued but unearned or (ii) earned but unused, in each case as of the Closing Date by the Employees.

(i) With respect to each Company Benefit Plan that is an employee welfare benefit plan (within the meaning of Section 3(1) of ERISA), all claims incurred by the Acquired Companies are (i) insured pursuant to a contract of insurance whereby the insurance company bears any risk of loss with respect to such claims, (ii) covered under a contract with a health maintenance organization (an "HMO"), pursuant to which the HMO bears the liability for claims, or (iii) reflected as a liability or accrued for on the Company Financial Statements. Except as set forth on Section 2.17(i) of the Shareholder Disclosure Schedule, no Company Benefit Plan provides or has ever provided benefits, including death, medical or health benefits (whether or not insured), after an Employee's termination of employment, and no Acquired Company has any liabilities (contingent or otherwise) with respect thereto other than (A) continuation coverage required pursuant to Section 4980B of the Code and Part 6 of Title I of ERISA, and the regulations thereunder, and any other Applicable Benefit Laws, (B) death benefits or retirement benefits under any employee pension benefit plan, (C) deferred compensation benefits, reflected as liabilities on the Company Financial Statements, or (D) benefits the full cost of which is borne by the current or former Employee (or the Employee's beneficiary).

(j) The transactions contemplated by this Agreement will not result (either alone or in combination with any other event) in (i) any payment of, or increase in, remuneration or benefits, to any Employee, officer, director or consultant of any Acquired Company, (ii) any cancellation of indebtedness owed to any Acquired Company by any Employee, officer, director or consultant of any Acquired Company, (iii) the acceleration of the vesting, funding or time of any payment or benefit to any Employee, officer, director or consultant of any Acquired Company, (iv) any "parachute payment" within the meaning of Section 280G of the Code (whether or not such payment is considered to be reasonable compensation for services rendered), or (v) any breach of fiduciary duty under Applicable Benefit Laws, including but not limited to Section 4975 of the Code and Section 406 of ERISA.

(k) No Acquired Company has announced or entered into any plan or binding commitment to (i) create or cause to exist any additional Company Benefit Plan, or (ii) adopt, amend or terminate any Company Benefit Plan, other than any amendment required by Applicable Benefit Laws. Each Company Benefit Plan may be amended or terminated in accordance with its terms without liability to the Acquired Companies or the Purchaser.

(l) Section 2.17(l) of the Shareholder Disclosure Schedule identifies each Company Benefit Plan that is a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code and associated Treasury Department guidance, including IRS Notice 2005-1 (each a "NQDC Plan"). With respect to each NQDC Plan, it either (A) has been operated in compliance with Code Section 409A since January 1, 2005, or (B) does not provide for the payment of any benefits that have or will be deferred or vested after December 31, 2004 and since October 3, 2004, it has not been "materially modified" within the meaning of Section 409A of the Code and associated Treasury Department guidance, including IRS Notice 2005-1, Q&A 18.

Section 2.18 Employee Matters.

(a) Section 2.18(a)(1) of the Shareholder Disclosure Schedule contains a true, correct and complete list of all Employees as of the date hereof, and accurately reflects their salaries, any other compensation payable to them (including compensation payable pursuant to bonus, deferred compensation or commission arrangements), their dates of employment and their positions. All of the Employees are "at will" employees. Section 2.18(a)(2) of the Shareholder Disclosure Schedule lists all Employees who are not citizens of the United States and identifies the visa or other similar permit under which such Employee is working and the dates of issuance and expiration of such visa or other similar permit.

(b) Section 2.18(b) of the Shareholder Disclosure Schedule identifies each Employee who is not fully available to perform work because of disability or other leave and sets forth the basis of such leave and the anticipated date of return to full service.

(c) Section 2.18(c) of the Shareholder Disclosure Schedule contains a true, correct and complete list of all independent contractors used by the Acquired Companies as of the date hereof, specifying the name of the independent contractor, type of labor, fees paid to such independent contractor for calendar year 2011 and from January 1, 2012 through November 30, 2012, work location and address. Each independent contractor listed on Section 2.18(c) has the requisite Governmental Authorizations required to provide the services such independent contractor provides the Acquired Companies, as applicable.

(d) Each of the Acquired Companies is, and has at all times been, in material compliance with all applicable Laws and Contracts relating to employment, employment practices, wages, bonuses and terms and conditions of employment, including Laws for job applicants and employee background checks, meal and rest period for Employees, accrual and payment of vacation pay and paid time off, classifying Employees as exempt or non-exempt, crediting all non-exempt Employees for all hours worked, deductions from final pay of all terminated Employees and classifying independent contractors.

(e) Neither the Acquired Companies nor the Shareholders have made any written or verbal commitments to any officer, employee, former employee, consultant or independent contractor of the Acquired Companies with respect to compensation, promotion, retention, termination, severance or similar matter in connection with the transactions contemplated hereby or otherwise.

Section 2.19 Labor Matters.

(a) No Employee, since becoming an Employee, has been, or currently is, represented by a labor organization or group that was either certified or voluntarily recognized by any labor relations board (including the NLRB) or certified or voluntarily recognized by any other Governmental Body. No Acquired Company is or has ever been a signatory to a collective bargaining agreement with any trade union, labor organization or group. No representation election petition or application for certification has been filed by employees of any Acquired Company or is pending with the NLRB or any other Governmental Body and no union organizing campaign or other attempt to organize or establish a labor union, employee organization or labor organization or group involving employees of any Acquired Company has occurred, is in progress or, to the Knowledge of the Company, is threatened. No Acquired Company is a federal or state contractor.

(b) No Acquired Company is or has ever been engaged in any unfair labor practice and there is no pending or, to the Knowledge of the Company, threatened labor board proceeding of any kind. The Acquired Companies are in compliance with all Labor Laws. No citations, claims, complaints, grievances, charges, disputes, proceedings, examinations, audits, inquiries, investigations or other actions have been issued or filed or are pending or, to the Knowledge of the Company, threatened under the Labor Laws with respect to any Acquired Company. The Acquired Companies have good labor relations, and the Company has no reason to believe that (i) the consummation of the transactions contemplated by this Agreement will have a material adverse effect on the Acquired Companies' labor relations, or (ii) any of the Employees intends to terminate his or her employment with the Acquired Companies.

(c) Since June 30, 2000, no Acquired Company has effectuated (i) a "plant closing" (as defined in the WARN) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of any Acquired Company or (ii) a "mass layoff" (as defined in the WARN) affecting any site of employment or facility of any Acquired Company. No Acquired Company has been affected by any transaction or engaged in layoffs, terminations or relocations sufficient in number to trigger application of any state, local or foreign law or regulation similar to the WARN. None of the Employees has suffered an "employment loss" (as defined in the WARN) in the ninety (90) days prior to the date hereof and the Purchaser will not incur any liability or obligation under the WARN if, during the ninety (90) day period immediately following the Closing Date, only terminations in the normal course occur. No wrongful discharge, retaliation, libel, slander or other claim, complaint, charge or investigation that arises out of the employment relationship between the Acquired Companies and any of their employees has been filed or is pending or, to the Knowledge of the Company, threatened against the Acquired Companies under any applicable Law.

(d) The Acquired Companies have maintained and currently maintain adequate insurance as required by applicable Law with respect to workers' compensation claims and unemployment benefits claims. The Company has provided the Purchaser with a copy of the policies of the Acquired Companies for providing leaves of absence under FMLA and their FMLA notices.

Section 2.20 Environmental Matters.

(a) Each of the Acquired Companies is in compliance with all applicable Environmental Laws, which compliance includes the possession by each of the Acquired Companies of all Governmental Authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof. All Governmental Authorizations currently held by any of the Acquired Companies pursuant to Environmental Laws are identified in Section 2.20(a) of the Shareholder Disclosure Schedule.

(b) None of the Acquired Companies has received any notice or other communication (in writing or otherwise), whether from a Governmental Body, citizens group, Employee or otherwise, that alleges that any of the Acquired Companies is not in compliance with any Environmental Law, and, to the Knowledge of the Company, there are no circumstances that may prevent or interfere with any Acquired Company's compliance with any Environmental Law in the future.

(c) To the Knowledge of the Company, no current or prior owner of any property leased or controlled by any of the Acquired Companies has received any notice or other communication (in writing or otherwise), whether from a Governmental Body, citizens group, employee or otherwise, that alleges that such current or prior owner or the Acquired Companies are not in compliance with any Environmental Law.

(d) Section 2.20(d) of the Shareholder Disclosure Schedule sets forth a true, correct and complete list of all documents (whether in hard copy or electronic form) that contain any environmental reports, investigations and/or audits relating to premises currently or previously owned or operated by the Acquired Companies (whether conducted by or on behalf of the Acquired Companies or a third party, and whether done at the initiative of the Acquired Companies or directed by a Governmental Body or other third party) which were issued or conducted during the past five years and which the Acquired Companies have possession of or access to. A complete and accurate copy of each such document has been provided to the Purchaser. The Company has provided to the Purchaser true, correct and complete copies of all reports, correspondence, memoranda, computer data and the complete files relating to environmental matters.

(e) No Acquired Company has entered into or agreed to enter into, or has any present intent to enter into, any consent decree or order, and no Acquired Company is subject to any judgment, decree or judicial or administrative order relating to compliance with, or the cleanup of Materials of Environmental Concern under, any applicable Environmental Law.

(f) No Acquired Company has at any time been subject to any administrative or judicial proceeding pursuant to, or paid any fines or penalties pursuant to, applicable Environmental Laws. No Acquired Company is subject to any claim, obligation, liability, loss, damage or expense of any kind or nature whatsoever, contingent or otherwise, incurred or imposed or based upon any provision of any Environmental Law or arising out of any act or omission any Acquired Company or the employees, agents or representatives thereof or arising out of the ownership, use, control or operation by any Acquired Company of any plant, facility,

site, area or property (including any plant, facility, site, area or property currently or previously owned or leased by any Acquired Company) from which any Material of Environmental Concern was Released.

(g) No improvement or equipment included in the property or assets of the Acquired Companies contains any asbestos, polychlorinated biphenyls, underground storage tanks, open or closed pits, sumps or other containers on or under any property or asset. No Acquired Company has imported, received, manufactured, produced, processed, labeled, or shipped, stored, used, operated, transported, treated or disposed of any Materials of Environmental Concern other than in compliance with all Environmental Laws.

Section 2.21 Insurance. Section 2.21 of the Shareholder Disclosure Schedule sets forth a true, correct and complete list (including the name of the insurer, policy number, coverage amount, deductible amount, premium amount and expiration date) of all insurance policies and fidelity bonds and self insurance arrangements for the current policy year relating to the Acquired Companies and their respective Employees, officers and directors. Each Acquired Company maintains, and has maintained, without interruption during its existence, policies of insurance covering such risk and events, including personal injury, property damage and general liability, in amounts that are adequate, in light of prevailing industry practices, for its business and operations. To the Company's Knowledge, no facts or circumstances exist that would cause any of the Acquired Companies to be unable to renew their existing insurance coverage as and when the same shall expire (and to continue to be able to obtain additional bonding for new projects as required), in either case upon terms at least as favorable as those currently in effect, other than possible increases in premiums that do not result from any act or omission of the applicable Acquired Companies. None of the Acquired Companies is in breach of or in default under any such policy or has received notice of pending or threatened termination or cancellation of any such policy. None of the Acquired Companies has reached or exceeded its policy limits for any insurance policy in effect at any time during the past five (5) years. No premiums or other payments with respect thereto will be due after the Closing with respect to any periods up to and including the Closing Date have been or will be paid in a timely fashion. There has been no lapse in coverage under such policies or failure of payment that will cause coverage to lapse during any period for which any Acquired Company has conducted its operations. None of the Acquired Companies has any obligation for retrospective premiums for any period prior to the Closing Date. All such policies are in full force and effect and will remain in full force and effect up to and including the Closing Date, unless replaced with comparable insurance policies having comparable or more favorable terms and conditions. No insurer has put any Acquired Company on notice that coverage will be denied with respect to any claim submitted to such insurer by any Acquired Company. There are no claims by any Acquired Company pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds or in respect of which such underwriters have reserved their rights.

Section 2.22 Related Party Transactions. No Related Party has, and no Related Party has at any time had, any direct or indirect interest in any asset used in or otherwise relating to the business of any of the Acquired Companies. No Related Party is, or has been, indebted to any of

the Acquired Companies. No Related Party has entered into, or has had any direct or indirect financial interest in, any Company Contract, transaction or business dealing involving any of the Acquired Companies. No Related Party is competing, or has at any time competed, directly or indirectly, with any of the Acquired Companies. No Related Party has any claim or right against any of the Acquired Companies (other than rights to receive compensation for services performed as an Employee). Except as disclosed in Section 2.22 of the Shareholder Disclosure Schedule, none of the assets of any of the Acquired Companies include any receivables from any officer, director, shareholder, member, manager, or employee of any of the Acquired Companies. Except as disclosed in Section 2.22 of the Shareholder Disclosure Schedule, none of the Acquired Companies is indebted to any officer, director, shareholder, member, manager, or employee of any of the Acquired Companies and no such Person is indebted to any of the Acquired Companies.

Section 2.23 Legal Proceedings; Orders.

(a) There is no pending Legal Proceeding, and to the Knowledge of the Company, no Person has threatened to commence any Legal Proceeding (i) that involves any of the Shareholders, (ii) that involves any of the Acquired Companies or any of the assets owned, used or controlled by any of the Acquired Companies or any Person whose liability any of the Acquired Companies has or may have retained or assumed, either contractually or by operation of law (other than Ordinary Course Legal Proceedings relating to claims under insurance policies issued by the Acquired Insurance Companies that have been fully reserved for in the November Unaudited Interim Balance Sheet and would not reasonably be expected to result in any liability to the Acquired Companies in excess of [•] individually or [•] in the aggregate), or (iii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated by this Agreement or any of the Shareholder Related Agreements. No event has occurred, and no claim, dispute or other condition or circumstance exists, that will, or that could reasonably be expected to, give rise to or serve as a basis for the commencement of any such Legal Proceeding.

(b) There is no order, writ, injunction, judgment or decree to which any of the Acquired Companies, or any of the assets owned or used by any of the Acquired Companies, is subject. To the Knowledge of the Company, no officer or other Employee is subject to any order, writ, injunction, judgment or decree that prohibits such officer or other Employee from engaging in or continuing any conduct, activity or practice relating to the business of the Acquired Companies.

Section 2.24 Insurance Contracts.

(a) All insurance policies, and all riders, amendments and applications to such policies, issued by any Acquired Insurance Company relating to the business of any Acquired Insurance Company (each, an "Insurance Contract") are, to the extent required by applicable Law, on forms approved by all applicable Governmental Authorities or filed with and not objected to by such Governmental Authorities within the period provided by applicable Law for objection. All Insurance Contracts are administered in accordance with, and have been

administered in accordance with, applicable Law. All premium rates relating to the business of the Acquired Insurance Companies (including with respect to the Insurance Contracts) that are required to be filed with or approved by any insurance regulatory authorities have been so filed or approved and the premiums charged conform thereto, and such premiums comply with all applicable Laws. As of the date hereof, each Insurance Contract that is currently in force or to which any Acquired Insurance Company is a party or under which any Acquired Insurance Company has any continuing rights, liabilities or obligations is in full force and effect and is valid and enforceable against the applicable Acquired Insurance Company that issued such Insurance Contract and, to the Knowledge of Sellers, each such other party in accordance with its terms.

(b) The Insurance Contracts have been marketed, sold and issued in compliance with all applicable Laws, including applicable Laws relating to (A) suitability of sales and replacement of policies, (B) the disclosure of the nature of insurance products as policies of insurance, (C) the use of unfair methods of competition and deceptive acts or practices relating to the advertising, sales and marketing of insurance, annuities or guaranteed investment contracts, (D) all applicable disclosure, filing and other requirements with respect to any variation in premiums or other charges resulting from time to time at which such premiums or charges are paid, and (E) all applicable requirements regulating the underwriting, rating, non-renewal, cancellation or replacement of insurance policies.

(c) All benefits claimed by, or paid, payable or credited to, any Person under any Insurance Contract have been paid or credited (or provision as required under SAP for payment thereof has been made in the most recent Quarterly Statutory Financial Statement) in accordance with the terms of the applicable Insurance Contract, and such payments, credits or provisions were not materially delinquent and were paid or credited (or will be paid or credited) without fines or penalties (excluding interest), except for any such claim for benefits for which there is a reasonable basis to contest payment.

Section 2.25 Reinsurance Agreements.

(a) Section 2.25(a) of the Shareholder Disclosure Schedule sets forth a complete and accurate list of all reinsurance and retrocession agreements (A) to which any Acquired Insurance Company is a party (collectively, the "Reinsurance Agreements"), true and correct copies of which have been made available to the Purchaser. All reinsurance premiums due under the Reinsurance Agreements have been paid in full or were adequately accrued or reserved for by the applicable Acquired Insurance Company in the Unaudited Balance Sheet. No Acquired Insurance Company is in default and, to the Knowledge of the Company, no other party to any Reinsurance Agreement is in default as to any provision of any such Reinsurance Agreement. There are no pending or, to the Knowledge of Company, threatened, Legal Proceedings with respect to any Reinsurance Agreements. Each Acquired Insurance Company was entitled to take credit in its most Quarterly Statutory Financial Statement in accordance with SAP for that portion of such Reinsurance Agreement as to which credit was taken in such statements. The transactions contemplated by this Agreement shall not affect the obligations (if

any) of the other parties to the Reinsurance Agreements to make payments to the applicable Acquired Insurance Company party thereto.

(b) Since January 1, 2009, none of the Acquired Insurance Companies nor any of their Affiliates has received any written notice from any party to a Reinsurance Agreement or otherwise has reason to believe that any amount of reinsurance ceded under any Reinsurance Agreement will be uncollectible or otherwise defaulted upon.

(c) Section 2.25(c) of the Shareholder Disclosure Schedule sets forth a correct and complete list of all Encumbrances collateral or security arrangements, including by means of a credit for reinsurance trust or letter of credit, to or for the benefit of any cedent under any Reinsurance Agreement.

Section 2.26 Producers.

(a) Since January 1, 2009, Mobile Rec and, to the Knowledge of the Company, each other Person performing the duties of insurance producer, agency, agent, managing general agent, third party administrator, wholesaler, broker, solicitor, adjuster, marketer, underwriter, distributor or customer representative for the business of the Acquired Insurance Companies (collectively with Mobile Rec, "Producers") was duly licensed and appointed as an insurance producer, agency, agent, managing general agent, third party administrator, broker, solicitor or adjuster, as applicable (for the type of business written, sold or produced by such Producer at the time such Producer wrote, sold or produced business or performed such other act for or on behalf of any of the Acquired Insurance Companies that may require a producer's, agency's, agent's, managing general agent's, third party administrator's, solicitor's, broker's or other insurance license), as may be required by any applicable Law.

(b) All licenses and appointments that are required for the Producers to continue writing, selling or producing business following the Closing are in full force and effect, (B) there are no investigations or proceedings pending or threatened against a Producer that would reasonably be expected to result in the suspension or revocation of any license or appointment required for such Producer to continue writing, selling or producing business following the Closing, and (C) no Producer has indicated to any Acquired Company, and no Acquired Company has reason to believe, that any Producer will be unable or unwilling to continue its relationship with any of the Acquired Insurance Companies after the Closing.

(c) Mobile Rec is duly registered with and/or licensed as an insurance agent, managing general agent, wholesaler, broker, solicitor, distributor or other producer in each jurisdiction where it conducts business of a nature requiring such registration and/or license and has been duly appointed by each insurance company for which it offers or sells insurance products or services. All such registrations, licenses and appointments are in full force and effect, and none of the Acquired Companies has received any notice of any investigation or proceeding that would reasonably be expected to result in the suspension or revocation of any such registration, license or appointment.

(d) Mobile Rec has marketed and sold all insurance policies and other insurance products in compliance with all applicable Laws, including applicable Laws relating to (A) suitability of sales and replacement of policies, (B) the disclosure of the nature of insurance products as policies of insurance, (C) the use of unfair methods of competition and deceptive acts or practices relating to the advertising, sales and marketing of insurance, annuities or guaranteed investment contracts, (D) all applicable disclosure, filing and other requirements with respect to any variation in premiums or other charges resulting from time to time at which such premiums or charges are paid, and (E) all applicable requirements regulating the underwriting, rating, non-renewal, cancellation or replacement of insurance policies.

Section 2.27 Guaranty Fund Assessments. The Acquired Insurance Companies have (i) timely paid all guaranty association assessments that are due, or, to the Knowledge of the Company, claimed or asserted by any state guaranty association or by any insurance regulatory authority to be due and (ii) provided for all such assessments in the Company Statutory Financial Statements to the extent necessary to be in conformity with SAP.

Section 2.28 Rating Agencies. Since January 1, 2009, no rating agency has imposed conditions (financial or otherwise) on retaining any currently held financial strength or claims paying ability rating assigned to any Acquired Insurance Company which is rated as of the date of this Agreement or, to the Knowledge of the Company, indicated that it is considering the downgrade of any rating assigned to any such Acquired Insurance Company or the placement of such Acquired Insurance Company on negative watch (other than any surveillance or review arising out of the transactions contemplated by this Agreement). Each such Acquired Insurance Company has as of the date of this Agreement the A.M. Best Company, Inc. and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ratings set forth in Section 2.28 of the Shareholder Disclosure Schedule.

Section 2.29 Financial and Market-Conduct Examinations. The Company has made available to the Purchaser true, correct and complete copies of all reports (or the most recent drafts thereof, to the extent any final reports are not available) reflecting the results of any financial examinations, market conduct examinations or any other examinations of any of the Acquired Insurance Companies conducted by any Governmental Body since January 1, 2009. All material deficiencies or violations noted in the examination reports described above have been resolved to the reasonable satisfaction of the Governmental Body that noted such deficiencies or violations. None of the Acquired Insurance Companies is "commercially domiciled" under the Laws of any jurisdiction or is otherwise treated as domiciled in a jurisdiction other than its respective jurisdiction of incorporation.

Section 2.30 Portfolio Investments. All Investment Assets comply in all material respects with the applicable insurance laws and regulations of the respective state of domicile of the applicable Acquired Insurance Company. Section 2.30 of the Shareholder Disclosure Schedule sets forth a complete and correct list of the Investments Assets at the last day of the calendar quarter immediately preceding the date hereof. None of the Investment Assets is in default in the payment of principal or interest or dividends. None of the Acquired Insurance Companies is a party to any derivative transaction which, pursuant to its terms and without any

additional investment decision on the part of such Acquired Insurance Company, could result in an additional payment by such Acquired Insurance Company.

Section 2.31 Key Relationships. Each applicable Acquired Corporation maintains good commercial relations with each of its suppliers, customers, Producers and reinsurers and, to the Knowledge of the Company, no event has occurred that could materially and adversely affect such Acquired Corporation's relations with any such supplier, customer, Producer or reinsurer. No customer (or former customer), supplier (or former supplier), Producer (or former Producer) with at least Five Hundred Thousand Dollars ($500,000) in written premiums during any twelve (12) month period since January 1, 2011, or reinsurer (or former reinsurer) has, during the prior twelve (12) months, canceled, terminated or, to the Knowledge of the Company, made any threat to cancel or otherwise terminate any of such Person's Contracts with the applicable Acquired Corporation or to decrease such Person's sales or usage of the applicable Acquired Corporation's services or products or any supplier's supply of services or products to the applicable Acquired Corporation. None of the Acquired Corporations has received any notice and the Company does not have any Knowledge to the effect that any current customer, supplier, Producer or reinsurer may terminate or materially alter its business relations with any Acquired Corporation, either as a result of the transactions contemplated hereby or otherwise. **[NTD: Parties to discuss possibility of limiting reps regarding customers and suppliers to top suppliers and customers.]**

Section 2.32 Finder's Fee. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or any of the other transactions contemplated hereby based upon arrangements made by or on behalf of the Acquired Companies, any Shareholder or any officer, member, director or employee of the Acquired Companies, or any Affiliate of the Acquired Companies. None of the Acquired Companies or the Shareholders has entered into any Contract of any kind with any Person for the payment of any brokerage or finder's fee or commission, investment bankers' fees or any similar compensation or charges in connection with this Agreement or the transaction contemplated hereby.

Section 2.33 Certain Payments. Neither any of the Acquired Companies, nor any manager, officer, Employee, agent or other Person associated with or acting for or on behalf of any of the Acquired Companies, has at any time, directly or indirectly:

(a) used any corporate funds (i) to make any unlawful political contribution or gift or for any other unlawful purpose relating to any political activity, (ii) to make any unlawful payment to any governmental official or employee, (iii) to establish or maintain any unlawful or unrecorded fund or account of any nature, or (iv) to make any unlawful payment under Applicable Benefit Laws;

(b) made any false or fictitious entry, or intentionally failed to make any entry that should have been made, in any of the books of account or other records of the Acquired Companies;

(c) made any payoff, influence payment, bribe, rebate, kickback or unlawful payment to any Person;

(d) performed any favor or given any gift which was not deductible for federal income tax purposes;

(e) made any payment (whether or not lawful) to any Person, or provided (whether lawfully or unlawfully) any favor or anything of value (whether in the form of property or services, or in any other form) to any Person, for the purpose of obtaining or paying for (i) favorable treatment in securing business, or (ii) any other special concession;

(f) engaged in any conduct constituting a violation of the Foreign Corrupt Practices Act of 1977; or

(g) agreed, committed, offered or attempted to take any of the actions described in clauses "(a)" through "(f)" above.

Section 2.34 Restrictions on Business Activities. There is no Contract or any Order entered, issued, made or rendered by any Governmental Body to which any of the Acquired Companies is a party or by which any of the Acquired Companies is bound that has or could reasonably be expected to have the effect of prohibiting or impairing any business practice of any of the Acquired Companies, any acquisition of property (tangible or intangible) by any of the Acquired Companies or the conduct of the Acquired Companies' businesses. Without limiting the foregoing, none of the Acquired Companies has entered into any Contract under which any of the Acquired Companies is restricted from selling, licensing or otherwise providing any of its services to any class of customers, in any geographic area, during any period of time or in any segment of the market.

Section 2.35 Full Disclosure. Neither this Agreement nor the Shareholder Disclosure Schedule (i) contains any representation, warranty or information that is false or misleading with respect to any material fact, or (ii) omits to state any material fact necessary in order to make the representations, warranties and information contained herein and therein, in the light of the circumstances under which such representations, warranties and information were or will be made or provided, not false or misleading. The Company has delivered to the Purchaser true, correct and complete copies of all documents, and any and all amendments to any such documents, referred to in this Agreement or in the Shareholder Disclosure Schedule or other writing or document delivered by the Company or any Shareholder pursuant to or in connection with this Agreement or any of the Shareholder Related Agreements or at the Closing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Company and each of the Shareholders, as of the date hereof and as of the Closing Date, as set forth below.

Section 3.1 Existence and Power. The Purchaser is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and has all limited liability company power required to conduct its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Purchaser's business, financial condition or results of operations.

Section 3.2 Authorization; Binding Nature of Agreement. The Purchaser has the absolute and unrestricted right, power and authority to perform its obligations under this Agreement and under each Purchaser Related Agreement to which it is a party, and the execution, delivery and performance by the Purchaser of this Agreement and the Purchaser Related Agreements have been duly authorized by all necessary action on the part of the Purchaser and its board of managers. This Agreement constitutes the legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy and Equity Exception. Upon the execution and delivery by or on behalf of the Purchaser of each Purchaser Related Agreement, such Purchaser Related Agreement will constitute the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 3.3 Absence of Restrictions; Required Consents. Neither (1) the execution, delivery or performance by the Purchaser of this Agreement or any of the Purchaser Related Agreements, nor (2) the consummation of transactions contemplated by this Agreement or any of the Purchaser Related Agreements, will directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with or result in a violation of any of the provisions of the Purchaser Constituent Documents;

(b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the transactions contemplated by this Agreement or any of the Purchaser Related Agreements or to exercise any remedy or obtain any relief under, any Law or any order, writ, injunction, judgment or decree to which the Purchaser, or any of the assets owned, used or controlled by the Purchaser, is subject;

(c) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by the Purchaser or that otherwise relates to the business of the Purchaser or to any of the assets owned, used or controlled by the Purchaser; or

(d) contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any Contract of the Purchaser, or give any Person the right to (i) declare a default or exercise any remedy under any such Contract of the Purchaser, or (ii) modify, terminate, or accelerate any right, liability or obligation of the Purchaser under any

such Contract of the Purchaser, or charge any fee, penalty or similar payment to the Purchaser under any such Contract of the Purchaser.

ARTICLE IV
CERTAIN COVENANTS AND AGREEMENTS

Section 4.1 Access and Investigation. During the period from the date hereof to the Closing Date (the "Pre-Closing Period"), the Company shall (and the Shareholders shall cause the Company to): (a) provide the Purchaser and the Purchaser's Representatives with reasonable access to the Acquired Companies' Representatives, personnel, properties and assets and to all existing books, records, Tax Returns, work papers and other documents and information relating to any of the Acquired Companies; and (b) provide the Purchaser and the Purchaser's Representatives with copies of such books, records, Tax Returns, work papers and other documents and information and such additional financial, operating and other data and information regarding any of the Acquired Companies as the Purchaser may reasonably request.

Section 4.2 Operation of the Company's Business.

(a) During the Pre-Closing Period, the Company shall (and the Shareholders shall cause the Company to): (i) ensure that each of the Acquired Companies conducts its business and operations (A) in the Ordinary Course of Business, and (B) in compliance with all applicable Laws and the requirements of all Company Contracts and Governmental Authorizations held by any Acquired Company; and (ii) use best efforts to ensure that each of the Acquired Companies preserves intact its current business organization, keeps available the services of its current officers and Employees and maintains its relations and goodwill with all suppliers, Producers, reinsurers, customers, landlords, creditors, licensors, licensees, Employees and other Persons having business relationships with any of the Acquired Companies.

(b) During the Pre-Closing Period, none of the Acquired Companies shall, and the Shareholders shall cause the Acquired Companies to not (except as expressly contemplated by Section 4.14 below), without the prior written consent of the Purchaser:

(i) (A) declare, accrue, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property) in respect of, any of its capital stock or other equity or voting interests (other than the Specified 2012 Dividend), (B) authorize for issuance or issue and deliver any additional shares of its capital stock or Company Rights, (C) split, combine or reclassify any of its capital stock or other equity or voting interests, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or other equity or voting interests, (D) purchase, redeem or otherwise acquire any shares of capital stock or any other securities of any Acquired Company or any Company Rights or (E) take any action that would result in any change of any term (including any conversion price thereof) of any debt security of any Acquired Company;

(ii) amend or permit the adoption of any amendment to the Company Constituent Documents, or effect, become a party to or authorize any Acquisition Transaction, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction;

(iii) except as required by applicable Laws, adopt or enter into any collective bargaining agreement or other labor union Contract applicable to the Employees;

(iv) adopt a plan of complete or partial liquidation or dissolution or resolutions providing for or authorizing such a liquidation or a dissolution;

(v) form any Subsidiary or acquire any equity interest or other interest in any other Entity;

(vi) make any capital expenditure outside the Ordinary Course of Business or make any single capital expenditure in excess of $[•]; *provided, however,* that the maximum amount of all capital expenditures made on behalf of the Acquired Companies, taken as a whole, during the Pre-Closing Period shall not exceed $[•] in the aggregate;

(vii) except in the Ordinary Course of Business, enter into or become bound by, or permit any of the assets owned or used by it to become bound by, any Company Contract, or amend or terminate, or waive any right under any Company Contract;

(viii) fail to manage working capital in a manner consistent with the Ordinary Course of Business, including, without limitation, by accelerating collection of accounts receivable or delaying the payment of accounts payable;

(ix) acquire, lease or license any right or other asset from any other Person or sell or otherwise dispose of, or lease, license or encumber, any right or other asset to any other Person (except in each case for assets acquired, leased, licensed, encumbered or disposed of by the Company in the Ordinary Course of Business and not having a value, or not requiring payments to be made or received, in excess of $[•] individually, or $[•] in the aggregate), or waive or relinquish any claim or right;

(x) sell, lease, sublease, encumber, assign or transfer any Owned Real Property;

(xi) amend, materially modify, terminate or extend any of the Leases;

(xii) acquire the business or operations of a third party;

(xiii) repurchase, prepay or incur any indebtedness or guarantee any indebtedness of another Person, guarantee any debt securities of another Person, enter into any "keep well" or other agreement to maintain any financial statement condition of another Person or enter into any arrangement having the economic effect of any of the foregoing;

(xiv) grant, create, incur or suffer to exist any Encumbrance on the assets of the Acquired Companies that did not exist on the date hereof or write down the value of any asset or investment on the books or records of the Acquired Companies, except for depreciation and amortization in the Ordinary Course of Business;

(xv) make any loans, advances or capital contributions to, or investments in, any other Person;

(xvi) cancel or compromise any debt owed to or by or claim of or against it;

(xvii) increase in any manner the compensation or benefits of, or pay any bonus to, any Employee, officer, director or independent contractor of any Acquired Company, except for (A) increases in the Ordinary Course of Business in base compensation for any Employee or independent contractor of any Acquired Company (other than executive officers or directors of any Acquired Company whose annualized compensation is $[•] or more or whose annual compensation for the twelve (12)-month period following the Outside Date is expected to be $[•] or more) that were communicated to such Employee or independent contractor prior to the date hereof, or (B) as required by Applicable Benefit Laws;

(xviii) except as required to comply with applicable Laws or any Contract or Employee Benefit Plan in effect on the date hereof, (A) pay to any Employee, officer, director or independent contractor of any Acquired Company any benefit not provided for under any Contract or Employee Benefit Plan in effect on the date hereof, (B) grant any awards under any Employee Benefit Plan, (C) take any action to fund or in any other way secure the payment of compensation or benefits under any Contract or Employee Benefit Plan, (D) take any action to accelerate the vesting or payment of any compensation or benefit under any Contract or Employee Benefit Plan, (E) adopt, terminate, enter into or amend any Employee Benefit Plan other than offer letters entered into with new Employees in the Ordinary Course of Business that provide, except as required by applicable Laws, for "at will employment" with no severance benefits or (F) make any material determination under any Employee Benefit Plan that is inconsistent with the Ordinary Course of Business;

(xix) hire any new Employee at the level of [•] or above or with an annual base salary in excess of $[•], dismiss any Employee, promote any Employee except in order to fill a position vacated after the date hereof, or engage any independent contractor whose relationship may not be terminated by the Company on thirty (30) days' notice or less;

(xx) except as required by GAAP or applicable Laws, change its fiscal year, revalue any of its material assets or make any changes in financial or tax accounting methods, principles or practices;

(xxi) settle or compromise any Legal Proceedings related to or in connection with an Acquired Company's business (other than Ordinary Course Legal Proceedings relating to claims under insurance policies issued by the Acquired Insurance Companies that have been fully reserved for in the November Unaudited Interim Balance Sheet and that involve only monetary payments not in excess of [•] individually or [•] in the aggregate);

(xxii) (A) dispose of or permit to lapse any ownership and/or right to the use of, or fail to protect, defend and maintain the ownership, validity and registration of, the Company Intellectual Property, or (B) dispose of or disclose to any Person, any Confidential Information;

(xxiii) take or omit to take any action that could, or is reasonably likely to, (A) result in any of its representations and warranties set forth in this Agreement or any certificate delivered in connection with the Closing being or becoming untrue in any material respect at any time at or prior to the Closing Date, (B) result in any of the conditions to the consummation of the transactions contemplated hereby not being satisfied, or (C) breach any provisions of this Agreement; or

(xxiv) authorize, agree, commit or enter into any Contract to take any of the actions described in clauses "(i)" through "(xxiii)" of this Section 4.2(b).

Section 4.3 Notification. During the Pre-Closing Period, the Company shall promptly notify the Purchaser in writing of:

(a) the discovery by the Company or any Shareholder of any event, condition, fact or circumstance that occurred or existed on or prior to the date hereof and that caused or constitutes an inaccuracy in or breach of any representation or warranty made by the Company or the Shareholders in this Agreement;

(b) any event, condition, fact or circumstance that occurs, arises or exists after the date hereof and that would cause or constitute an inaccuracy in or breach of any representation or warranty made by the Company or any Shareholder in this Agreement if (i) such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance, or (ii) such event, condition, fact or circumstance had occurred, arisen or existed on or prior to the date hereof;

(c) any breach of any covenant or obligation of the Company or any Shareholder;

(d) any event, condition, fact or circumstance that has made or could reasonably be expected to make the timely satisfaction of any condition set forth in Articles V or VI impossible or unlikely or that has had or could reasonably be expected to have a Material Adverse Effect; and

(e) (i) any notice or other communication from any Person alleging that the consent or approval of such Person is or may be required in connection with the transactions contemplated by this Agreement, and (ii) any Legal Proceeding or material claim threatened, commenced or asserted against or with respect to any of the Acquired Companies or the transactions contemplated by this Agreement.

No notification given to the Purchaser pursuant to this Section 4.3 shall limit or otherwise affect any of the representations, warranties, covenants or obligations of the Company or the Shareholders, or any of the rights of the Purchaser, contained in this Agreement.

Section 4.4 No Negotiation.

(a) Until the earlier of the Closing or the termination of this Agreement pursuant to Article VIII, neither the Company nor any of the Shareholders shall directly or indirectly, and shall not authorize or permit any of the other Acquired Companies or any Representative of any of the Acquired Companies directly or indirectly to, (i) solicit, initiate, encourage, induce or facilitate the making, submission or announcement of any proposal relating to an Acquisition Transaction (an "Acquisition Proposal") or take any action that could reasonably be expected to lead to an Acquisition Proposal, (ii) furnish any information regarding any of the Acquired Companies to any Person in connection with or in response to an Acquisition Proposal or an inquiry or indication of interest that could reasonably be expected to lead to an Acquisition Proposal, (iii) engage in discussions or negotiations with any Person with respect to a potential Acquisition Transaction or an Acquisition Proposal, (iv) approve, endorse or recommend any Acquisition Proposal, or (v) enter into any letter of intent or similar document or any Contract contemplating or otherwise relating to any Acquisition Transaction. Without limiting the generality of the foregoing, the Company and the Shareholders acknowledge and agree that any violation of or the taking of any action inconsistent with any of the restrictions set forth in the preceding sentence by any Representative of any of the Acquired Companies, whether or not such Representative is purporting to act on behalf of any of the Acquired Companies, shall be deemed to constitute a breach of this Section 4.4 by the Company.

(b) The Company and the Shareholders shall promptly (and in no event later than twenty-four (24) hours after receipt of any Acquisition Proposal, any inquiry or indication of interest that could lead to an Acquisition Proposal or any request for nonpublic information) advise the Purchaser orally and in writing of any Acquisition Proposal, any inquiry or indication of interest that could lead to an Acquisition Proposal or any request for nonpublic information relating to any of the Acquired Companies (including the identity of the Person making or submitting such Acquisition Proposal, inquiry, indication of interest or request, and the terms thereof) that is made or submitted by any Person during the Pre-Closing Period. The Company and the Shareholders shall keep the Purchaser fully informed with respect to the status of any such Acquisition Proposal, inquiry, indication of interest or request and any modification or proposed modification thereto.

(c) The Company and the Shareholders shall, and shall cause each of their Representatives to, immediately cease and cause to be terminated any existing discussions with any Person (other than the Purchaser) that relate to any Acquisition Proposal.

Section 4.5 Interim Financials. As promptly as practicable following each calendar month prior to the Closing Date, the Company shall deliver to the Purchaser periodic financial reports in the form that it customarily prepares for its internal purposes and, if available, unaudited consolidated statements of the financial position of the Acquired Companies as of the

last day of such calendar month and statements of income and changes in financial position of such entities for the calendar month then ended. The Company covenants that such interim statements (a) shall present fairly in all material respects, the financial condition of the Acquired Companies as of their respective dates and the related results of their respective operations for the respective calendar month then ended, and (b) shall be prepared on a basis consistent with prior interim periods.

Section 4.6 Employee Matters.

(a) Prior to the Closing Date, the Company shall make, or cause to be made, all contributions and pay all premiums under each Company Benefit Plan and ERISA Affiliate Plan with respect to periods ending on or prior to the Closing Date. Immediately prior to the Closing Date, the Company shall terminate the Company Benefit Plans listed on Section 4.6(a) of the Shareholder Disclosure Schedule pursuant to actions and documents that both are subject to Purchaser's reasonable opportunity to review and to comment and are satisfactory to Purchaser, and the Company shall bear all the expenses of terminating such plans.

(b) Neither the Shareholders nor the Company nor any Representative of the Company shall make any communication to employees of the Company regarding any Company Benefit Plan or any 401(k), group health, life insurance, disability, accidental death and dismemberment insurance or employee stock purchase plan or any compensation or benefits to be provided after the Closing Date without the advance approval of the Purchaser.

Section 4.7 Related Party Transactions. The Company shall, at or prior to the Closing, cause to be paid to the applicable Acquired Company all amounts owed to such Acquired Company by any Shareholder or any Related Party. At and as of the Closing Date, any debts of an Acquired Company owed to any of the Shareholders or to any Related Party shall be canceled, except those obligations owed to any such Shareholder or Related Party in respect of his or her employment with such Acquired Company.

Section 4.8 Public Announcements. During the Pre-Closing Period, (a) the Acquired Companies and the Shareholders shall not (and the Acquired Companies shall not permit any of their Representatives to) issue any press release or make any public statement regarding this Agreement, or regarding any of the transactions contemplated by this Agreement, without the Purchaser's prior written consent and (b) the Purchaser shall not (and the Purchaser shall not permit any of its Representatives to) issue any press release or making any public statement regarding this Agreement, or regarding any of the transactions contemplated by this Agreement, without the Shareholder Representative's prior written consent; *provided, however*, that nothing herein shall be deemed to prohibit any party hereto from making any public disclosure that such party deems necessary or appropriate under applicable Law; *provided, further*, that, without the prior written consent of the Purchaser, in the case of any of the Acquired Companies or the Shareholders, or the Shareholder Representative, in the case of the Purchaser, none of the parties hereto shall at any time disclose to any Person the fact that this Agreement has been entered into or any of the terms of this Agreement other than to such party's advisors who such party reasonably determines needs to know such information for the purpose of advising such party, it

being understood that such advisor will be informed of the confidential nature of this Agreement and the terms of this Agreement and will be directed to treat such information as confidential in accordance with the terms of this Agreement.

Section 4.9 Reasonable Efforts; Further Assurances; Cooperation. Subject to the other provisions hereof, each party shall use its reasonable, good faith efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable Law to cause the transactions contemplated herein to be effected as soon as practicable, but in any event on or prior to the Outside Date, in accordance with the terms hereof and shall cooperate fully with each other party and its Representatives in connection with any step required to be taken as a part of its obligations hereunder, including the following:

(a) Each party shall promptly make its filings and submissions and shall take all actions necessary, proper or advisable under applicable Laws to obtain any required approval of any Governmental Body with jurisdiction over the transactions contemplated hereby (except that the Purchaser shall have no obligation to take or consent to the taking of any action required by any such Governmental Body that could adversely affect the business or assets of any Acquired Company or the transactions contemplated by this Agreement or the Purchaser Related Agreements). The Company shall furnish to the Purchaser all information required for any application or other filing to be made by the Company pursuant to any applicable Law in connection with the transactions contemplated hereby;

(b) Each party shall promptly notify the other parties of (and provide written copies of) any communications from or with any Governmental Body in connection with the transactions contemplated hereby;

(c) In the event any claim, action, suit, investigation or other proceeding by any Governmental Body or other Person is commenced that questions the validity or legality of the transactions contemplated hereby or seeks damages in connection therewith, the parties shall (i) cooperate and use all reasonable efforts to defend against such claim, action, suit, investigation or other proceeding, (ii) in the event an injunction or other order is issued in any such action, suit or other proceeding, use all reasonable efforts to have such injunction or other order lifted, and (iii) cooperate reasonably regarding any other impediment to the consummation of the transactions contemplated hereby; and

(d) The Company shall give all notices to third parties and use its best efforts (in consultation with the Purchaser) to obtain all third-party consents (i) necessary, proper or advisable to consummate the transactions contemplated hereby, (ii) required to be given or obtained, or (iii) required to prevent a Material Adverse Effect, whether prior to, on or following the Closing Date.

Section 4.10 Tax Matters.

(a) Cooperation on Tax Matters. The Purchaser, the Company and the Shareholders shall cooperate as and to the extent reasonably requested by the other party, in

connection with the filing of Tax Returns by the Company and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(b) Transfer Taxes. Any Taxes or recording fees payable as a result of the purchase and sale of the Shares. The parties shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications and other documents regarding Taxes and all transfer, recording, registration and other fees that become payable in connection with the transactions contemplated hereby that are required or permitted to be filed at or prior to the Closing.

Section 4.11 Release. In consideration for the Purchase Price, as of and following the Closing Date, each Shareholder knowingly, voluntarily and unconditionally releases, forever discharges, and covenants not to sue the Acquired Companies from or for any and all claims, causes of action, demands, suits, debts, obligations, liabilities, damages, losses, costs and expenses (including attorneys' fees) of every kind or nature whatsoever, known or unknown, actual or potential, suspected or unsuspected, fixed or contingent, that such Shareholder has or may have, now or in the future, arising out of, relating to, or resulting from any act or omission, error, negligence, breach of contract, tort, violation of law, matter or cause whatsoever from the beginning of time to the Closing Date; provided, however, that the foregoing release shall not apply to any claims arising out of this Agreement.

Section 4.12 Termination of Certain Agreements. Prior to Closing, the Company shall terminate, or cause to be terminated, the agreements and arrangements set forth on Exhibit 4.16 (the "Excluded Contracts"), such that none of the Acquired Companies shall have any liability following the Closing related to such Excluded Contracts. Each such termination shall include a release of the Acquired Companies, as applicable, from any and all liabilities and obligations arising out of, or related to, such Excluded Contract.

Section 4.13 [Final Audited Financial Statements. The Company shall use commercially reasonable efforts to cause the consolidated balance sheet of the Company and its Subsidiaries as of December 31, 2012 and the related consolidated statements of income, shareholders' equity and cash flow of the Company and its Subsidiaries for the twelve (12) month period then ended[, in each case as adjusted by the Adjustment Methodology,] to be audited by [•] and to receive an unqualified report and opinion of [•] relating thereto within [•] days following December 31, 2012.]

Section 4.14 Sale of Subsidiaries; Dissolution of Subsidiaries.

(a) During the Pre-Closing Period, the Company shall sell its equity interests in Global HR Research PA LLC, Global HR Research NE LLC and JMT Property Corp. to

[Martin G. Lane Jr] upon terms and conditions and pursuant to documents approved in writing by the Purchaser.

(b) During the Pre-Closing Period, the Company shall satisfy all liabilities and obligations of, and dissolve, the following Subsidiaries of the Company: Picnic Lane Holdings and [•].

ARTICLE V
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE PURCHASER

The obligations of the Purchaser to consummate the transactions contemplated by this Agreement and the Purchaser Related Agreements are subject to the satisfaction (or written waiver by the Purchaser), at or prior to the Closing, of each of the following conditions:

Section 5.1 Accuracy of Representations. Each of the representations and warranties of the Company and the Shareholders contained in this Agreement that are qualified as to materiality shall be true and correct in all respects, and each of the representations and warranties of the Company and the Shareholders contained in this Agreement that are not qualified shall be true and correct in all material respects, in each case as of the date of the Agreement and as of the Closing Date with the same effect as though made as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of a specific date, in which case the accuracy of such representation and warranty shall be determined as of such date).

Section 5.2 Performance of Covenants. Each of the covenants and obligations set forth herein that the Company and each of the Shareholders is required to comply with or perform at or prior to the Closing shall have been complied with or performed in all material respects.

Section 5.3 Shareholder Compliance Certificate. The Shareholders shall have delivered, or caused to be delivered, to the Purchaser a certificate executed by the Shareholders and the chief executive officer or chief financial officer of the Company as to compliance with the conditions set forth in Sections 5.1, 5.2, 5.4, 5.7, 5.8 and 5.11 (the "Shareholder Compliance Certificate");

Section 5.4 Consents. All consents, approvals, orders or authorizations of, or registrations, declarations or filings with any Person required in connection with the execution, delivery or performance hereof (including, without limitation, the Department's approval of the Purchaser's Form A application) shall have been obtained or made and shall be in full force and effect, in each case in form and substance reasonably satisfactory to the Purchaser.

Section 5.5 Ancillary Agreements and Deliveries. The Shareholders shall have delivered, or caused to be delivered, to the Purchaser the documents listed in Section 7.2, each of which shall be in full force and effect and the Contribution shall have been consummated in accordance with the Contribution Agreement.

Section 5.6 Legal Opinion. The Shareholders shall have delivered, or caused to be delivered, to the Purchaser a legal opinion, dated the Closing Date, of Saidis, Sullivan & Rogers, reasonably satisfactory in form and substance to the Purchaser, and containing the opinions set forth in Exhibit 5.6.

Section 5.7 Certain Covenants and Agreements. The Shareholders shall have delivered, or caused to be delivered, to the Purchaser evidence, reasonably satisfactory to the Purchaser, that the Company shall have complied with the covenants and agreements set forth in Section 4.7 and Section 4.12.

Section 5.8 No Material Adverse Effect. There shall not have occurred a Material Adverse Effect, and no event shall have occurred or circumstance exist that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect.

Section 5.9 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the transactions contemplated hereby shall have been issued by any Governmental Body, and there shall not be any Law enacted or deemed applicable that makes the Closing illegal.

Section 5.10 No Litigation. There shall not be pending or threatened any Legal Proceeding by or before any Governmental Body against the Purchaser, a Shareholder or any Acquired Company (a) seeking to restrain or prohibit the Purchaser's direct or indirect ownership or operation of all or a significant portion of the business and assets of any Acquired Company, or to compel the Purchaser or any of its Subsidiaries or Affiliates to dispose of or hold separate any significant portion of the business or assets of any Acquired Company, (b) seeking to restrain or prohibit or make materially more costly the consummation of the transactions contemplated by this Agreement, or seeking to obtain from the Purchaser or any Acquired Company any material damages, (c) seeking to impose limitations on the ability of the Purchaser to acquire or hold, or exercise full rights of ownership of the Shares, or (d) which otherwise could reasonably be expected to have a Material Adverse Effect.

Section 5.11 Sale of Interests. The Company shall have sold its equity interests in Global HR Research PA LLC, Global HR Research NE LLC and JMT Property Corp. to [Martin G. Lane Jr] upon terms and conditions and pursuant to documents approved by the Purchaser, [•], and provided the Purchaser with evidence thereof acceptable to the Purchaser.

Section 5.12 Dissolution of Subsidiaries. The Company shall have satisfied all liabilities and obligations of, and dissolved, the following Subsidiaries of the Company: Picnic Lane Holdings and [•], and provided the Purchaser with evidence thereof acceptable to the Purchaser.

Section 5.13 Due Diligence Review. The Purchaser shall have completed to its satisfaction the due diligence review of the operations, condition (financial and other), prospects, assets and liabilities of the Acquired Companies and their businesses.

ARTICLE VI
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY AND THE SHAREHOLDERS

The obligations of the Company and the Shareholders to consummate the transactions contemplated by this Agreement and the Shareholder Related Agreements are subject to the satisfaction (or written waiver by the Shareholder Representative), at or prior to the Closing, of the following conditions:

Section 6.1 Accuracy of Representations. Each of the representations and warranties of the Purchaser contained in this Agreement that are qualified as to materiality shall be true and correct in all respects, and each of the representations and warranties of the Company and the Shareholders contained in this Agreement that are not qualified shall be true and correct in all material respects, in each case as of the date of the Agreement and as of the Closing Date with the same effect as though made as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of a specific date, in which case the accuracy of such representation and warranty shall be determined as of such date).

Section 6.2 Performance of Covenants. Each of the covenants and obligations set forth herein that the Purchaser is required to comply with or perform at or prior to the Closing shall have been complied with or performed in all material respects.

Section 6.3 Purchaser Compliance Certificate. The Purchaser shall have delivered, or caused to be delivered, to the Shareholder Representative a certificate executed by the chief executive officer or chief financial officer of the Purchaser as to compliance with the conditions set forth in Sections 6.1 and 6.2 (the "Purchaser Compliance Certificate").

Section 6.4 Ancillary Agreements and Deliveries. The Purchaser shall have delivered, or caused to be delivered, to the Shareholder Representative the items listed in Section 7.3, each of which, in the case of agreements and documents, shall be in full force and effect.

Section 6.5 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the transactions contemplated hereunder shall have been issued by any Governmental Body and shall remain in effect, and there shall not be any Law enacted or deemed applicable to the transactions contemplated hereunder that makes the Closing illegal.

Section 6.6 Consents. All consents approvals, orders or authorizations of, or registrations, declarations or filings with, any Governmental Body shall have been obtained or made on terms and conditions reasonably satisfactory to the Shareholder Representative.

ARTICLE VII
CLOSING

Section 7.1 Closing. Unless otherwise mutually agreed in writing between the Purchaser and the Shareholder Representative, the Closing shall take place at the offices of Paul

Hastings LLP, at 695 Town Center Drive, Costa Mesa, California, at 9:00 A.M. (Pacific Time) on the second (2nd) Business Day following the day on which the last to be satisfied or waived of the conditions set forth in Articles V and VI shall be satisfied or waived in accordance with this Agreement (other than those conditions that by their terms are to be satisfied at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of such conditions at the Closing).

Section 7.2 Shareholder and Company Closing Deliveries. At the Closing, the Shareholders and the Company, as applicable, shall deliver, or cause to be delivered, to the Purchaser the following:

(a) certificates representing the Shares, duly endorsed in blank or accompanied by duly executed stock powers or other instruments of assignment requested by and reasonably satisfactory in form and substance to the Purchaser;

(b) a certificate of non-foreign status that complies with Treasury Regulation Section 1.4445-2(c)(3);

(c) the consulting or employment agreements in the forms attached hereto as Exhibit 7.2(c)(1), Exhibit 7.2(c)(2) and Exhibit 7.2(c)(3), duly executed by Martin G. Lane Jr., Darleen Fritz and William Wollyung, respectively (collectively, the "Executive Agreements");

(d) a non-competition and non-solicitation agreement in the forms attached hereto as Exhibit 7.2(d)(1), Exhibit 7.2(d)(2), Exhibit 7.2(d)(3) and Exhibit 7.2(d)(4), duly executed by Martin G. Lane Jr., Darleen Fritz, William Wollyung and William Lane, respectively (collectively, the "Noncompetition Agreements");

(e) written resignations of the directors of the Acquired Companies (other than Martin G. Lane Jr. and **[•]**), effective as of the Closing Date;

(f) a certificate, dated as of the Closing Date, signed by the Secretary of the Company (i) attaching copies of the certificate of incorporation and bylaws, and any amendments thereto, of each of the Acquired Companies, (ii) attaching a true, correct and complete copy of the stock ledger of the Company from the date of its incorporation through the Closing Date, (iii) certifying that attached thereto are true, correct and complete copies of action by written consent or resolutions duly adopted by the Board of Directors of the Company which authorize and approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, (iv) certifying the good standing of each of the Acquired Companies in its jurisdiction of incorporation and in each other jurisdiction in which it is qualified to do business, and that there are no proceedings for the dissolution or liquidation of any of the Acquired Companies, and (v) certifying the incumbency, signature and authority of the officers of the Company authorized to execute, deliver and perform this Agreement and all other documents, instruments or agreements related thereto executed or to be executed by the Company;

(g) the Purchaser Amended and Restated LLC Agreement and the Contribution Agreement, duly executed by each of the Rollover Shareholders;

(h) a release in the form attached hereto as Exhibit 7.2(h), duly executed by each holder of a Company SAR;

(i) a release in the form attached hereto as Exhibit 7.2(i), duly executed by each of the participants in the Company ESOP;

(j) a lease in the form attached hereto as Exhibit 7.2(j) (the "JGS Lease"), duly executed by each of the parties thereto other than the Purchaser;

(k) the Escrow Agreement, duly executed by each of the Escrow Participants and the Shareholder Representative;

(l) an independent appraisal issued to the Company ESOP with respect to the fair market value of its Shares as of the Closing, with such appraisal both meeting the requirements of Section 401(a)(28)(C) of the Code and establishing a fair market value for the Shares held by the Company ESOP that is not less than the consideration that the Company ESOP receives at the Closing for the surrender of such Shares;

(m) the Special Trustee and, to the extent necessary, the Company ESOP participants shall have approved the transactions contemplated by this Agreement; and

(n) all other documents required to be entered into by the Company and the Shareholders pursuant hereto or reasonably requested by the Purchaser to convey the Shares to the Purchaser or to otherwise consummate the transactions contemplated hereby, including the documents listed in Section 7.2.

Section 7.3 Purchaser Closing Deliveries. At the Closing, the Purchaser shall deliver, or cause to be delivered:

(a) to the Shareholders, the portion of the Cash Purchase Price to be paid at the Closing pursuant to Section 1.3(a)(i), paid and delivered in accordance with such Section;

(b) to Martin G. Lane Jr., the Seller Note, duly executed by the Purchaser;

(c) to the Escrow Agent, the Escrow Amount in accordance with Section 1.3(b);

(d) to the Rollover Shareholders, the Purchaser Amended and Restated LLC Agreement, duly executed by each of the Existing Members;

(e) to the Rollover Shareholders, the Contribution Agreement, duly executed by the Purchaser;

(f) to each party to an Executive Agreement other than Purchaser, such Executive Agreement, duly executed by the Purchaser;

(g) to each party to a Noncompetition Agreement other than the Purchaser, such Noncompetition Agreement duly executed by the Purchaser;

(h) to each party to the JGS Lease other than the Purchaser, the JGS Lease duly executed by the Purchaser, and

(i) and all other documents required to be entered into or delivered by the Purchaser at or prior to the Closing pursuant hereto.

ARTICLE VIII
TERMINATION

Section 8.1 Termination Events. This Agreement may be terminated prior to the Closing:

(a) by mutual written consent of the Purchaser and the Shareholder Representative;

(b) by written notice from the Purchaser to the Shareholder Representative, if there has been a breach of any representation, warranty, covenant or agreement by the Company or the Shareholders, or any such representation or warranty shall become untrue after the date hereof, such that the conditions in Sections 5.1 and 5.2 would not be satisfied and such breach is not curable or, if curable, is not cured within the earlier of (i) fifteen (15) days after written notice thereof is given by the Purchaser to the Shareholder Representative and (ii) the Outside Date;

(c) by written notice from the Shareholder Representative to the Purchaser, if there has been a breach of any representation, warranty, covenant or agreement by the Purchaser, or any such representation or warranty shall become untrue after the date hereof, such that the conditions in Sections 6.1 and 6.2 would not be satisfied and such breach is not curable or, if curable, is not cured within the earlier of (i) fifteen (15) days after written notice thereof is given by the Shareholder Representative to the Purchaser and (ii) the Outside Date; or

(d) by written notice by the Shareholder Representative to the Purchaser or the Purchaser to the Shareholder Representative, as the case may be, in the event the Closing has not occurred on or prior to March 31, 2013 (the "Outside Date") for any reason other than delay or nonperformance of or breach by the party seeking such termination.

Section 8.2 Effect of Termination. In the event of termination of this Agreement pursuant to this Article VIII, this Agreement shall forthwith become void and there shall be no liability on the part of any party to this Agreement or its partners, members, officers, directors or shareholders, except for obligations under Section 4.8 (Public Announcements), Section 10.3 (Fees and Expenses), Section 10.4 (Waiver; Amendment), Section 10.7 (Governing Law),

Section 10.8 (Arbitration), Section 10.12 (Notices), Section 10.14 (No Reliance), Section 10.15 (Enforcement of Agreement), Section 10.16 (Cumulative Remedies), Section 10.17 (Severability) and this Section 8.2, all of which shall survive the Termination Date. Notwithstanding the foregoing, nothing contained herein shall relieve any party from liability for any breach hereof prior to the termination of this Agreement in accordance with this Section 8.2.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Indemnification Obligations of the Shareholders. From and after the Closing, each Shareholder shall severally (in accordance with its Pro Rata Share) and not jointly (other than with respect to indemnification obligations satisfied from the Escrow Account and/or offset against the Seller Note, which obligations shall be joint and several in accordance with Section 9.7), indemnify and hold harmless the Purchaser Indemnified Parties from and against, and compensate, reimburse and pay the Purchaser Indemnified Parties for, any and all Losses arising out of or relating to:

(a) any inaccuracy in or breach of (or any claim by a third party which if proven would give rise to any inaccuracy in or breach of) any representation or warranty of the Company or the Shareholders set forth in this Agreement, the Shareholder Compliance Certificate or any other Shareholder Related Agreement, *provided, however*, that, for purposes of this Article IX, (i) the inaccuracy or breach of any representation or warranty in this Agreement, the Shareholder Compliance Certificate or any other Shareholder Related Agreement shall be determined without regard and without giving effect to any materiality or Material Adverse Effect standard or qualifier or similar variation thereof contained therein (as if such materiality standard or qualification were deleted from such representations or warranty), and (ii) the amount of any Losses that are indemnifiable hereunder shall be determined without regard and without giving effect to any materiality or Material Adverse Effect standard or qualifier or similar variation thereof contained therein (as if such materiality standard or qualification were deleted from such representations or warranty);

(b) any breach of (or any claim by a third party which if proven would give rise to any breach of) any covenant or agreement made by the Company or the Shareholders in this Agreement or in any Shareholder Related Agreement;

(c) the Company ESOP, including, without limitation, the termination thereof;

(d) any liability or obligation of any Acquired Company for Taxes (i) that are the responsibility of the Shareholders pursuant to Section 4.10, or (ii) arising out of or relating to Global HR Research PA LLC, Global HR Research NE LLC and JMT Property Corp. to [Martin G. Lane Jr.] to the extent not included as a liability in the Adjusted Audited GAAP Book Value on the Final Post-Closing Adjustment Schedule;

(e) any Transaction Expenses, to the extent not reflected as a liability in the Adjusted Audited GAAP Book Value on the Final Post-Closing Adjustment Schedule; [or]

(f) any Final Reduction Excess[.][; or

(g) any matter set forth on Exhibit 9.1][1]

The Losses of the Purchaser Indemnified Parties described in this Section 9.1 as to which the Purchaser Indemnified Parties are entitled to indemnification are collectively referred to as "Purchaser Losses."

Section 9.2 Indemnification Obligations of the Purchaser. From and after the Closing, the Purchaser shall indemnify and hold harmless the Shareholder Indemnified Parties from and against, and compensate, reimburse and pay the Shareholder Indemnified Parties for, any and all Losses arising out of or relating to:

(a) any inaccuracy in or breach (or any claim by a third party which if proven would give rise to any inaccuracy or breach of) of any representation or warranty of the Purchaser set forth in this Agreement or in any Purchaser Related Agreement, whether such representation and warranty is made as of the date hereof or as of the Closing Date; or

(b) any breach of (or any claim by a third party which if proven would give rise to any breach of) any covenant, agreement or undertaking made by the Purchaser in this Agreement or in any Purchaser Related Agreement.

The Losses of the Shareholder Indemnified Parties described in this Section 9.2 as to which the Shareholder Indemnified Parties are entitled to indemnification are collectively referred to as "Shareholder Losses."

Section 9.3 Indemnification Procedure.

(a) Promptly following receipt by an Indemnified Party of notice by a third party (including, without limitation, any Governmental Body) of any complaint, dispute or claim or the commencement of any audit, investigation, action or proceeding with respect to which such Indemnified Party may be entitled to indemnification pursuant hereto (a "Third-Party Claim"), such Indemnified Party shall provide written notice thereof to the party obligated to indemnify under this Agreement (the "Indemnifying Party"), *provided, however*, that the failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party from liability hereunder with respect to such Third-Party Claim except to the extent of any Losses directly resulting from such failure to so notify the Indemnifying Party. Except with respect to any Special Claim, the Indemnifying Party shall have the right, upon written notice delivered to the Indemnified Party within twenty (20) days thereafter (unless the Third-Party Claim requires a response before the expiration of such twenty-day period, in which case the Indemnifying Party shall have until the date that is ten (10) days before the required response date) assuming such Third-Party Claim and acknowledging in writing that the Cap shall not apply to any Purchaser

---

[1] NTD: Subject to completion of Purchaser's due diligence.

Losses resulting from such Third-Party Claim, to assume and undertake the defense of such Third-Party Claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. In the event that the Indemnifying Party declines or fails to assume the defense of such Third-Party Claim on the terms provided above or fails to employ counsel reasonably satisfactory to the Indemnified Party, in either case within such twenty (20)-day period (or before the date that is ten (10) days before the required response date if such Third-Party Claim requires a response before the expiration of such twenty-day period), or if the Indemnifying Party fails to maintain diligently the defense of such Third-Party Claim, or if the Third-Party Claim is a Special Claim, then the Indemnified Party shall have the right to contest, settle or compromise, through counsel of its choosing, such Third-Party Claim and any Purchaser Losses or any Shareholder Losses (as the case may be) shall include the reasonable fees and disbursements of counsel for the Indemnified Party as incurred. In any Third-Party Claim for which indemnification is being sought hereunder, the Indemnified Party or the Indemnifying Party, whichever is not assuming the defense of such Third-Party Claim, shall have the right to participate in such matter and to retain its own counsel at such Indemnified Party's or Indemnifying Party's, as applicable, own expense. The Indemnifying Party or the Indemnified Party (as the case may be) shall at all times use reasonable efforts to keep the Indemnifying Party or Indemnified Party (as the case may be) reasonably apprised of the status of the defense of any matter the defense of which it is maintaining. Each of the Indemnifying Party and the Indemnified Party shall cooperate in good faith with each other with respect to the defense of any such matter. For purposes of this Agreement, "**Special Claim**" shall mean any Third-Party Claim involving any possibility of criminal liability, an action for injunction relief, specific performance or other equitable remedies, an action by any Governmental Body or any Third-Party Claim for which the aggregate liability could reasonably exceed the amount then remaining in the Escrow Account and then available for offset against the Seller Note.

(b) No Indemnified Party may settle or compromise any Third-Party Claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the Indemnifying Party (which may not be unreasonably withheld or delayed), unless (i) the Indemnifying Party fails to assume and maintain diligently the defense of such Third-Party Claim pursuant to Section 9.3(a) (including, without limitation, acknowledging in writing to the Indemnified Party that the Cap does not apply to any Purchaser Losses resulting from such Third-Party Claim), (ii) such Third-Party Claim involves a Special Claim, or (iii) such settlement, compromise or consent includes an unconditional release of the Indemnifying Party and its officers, directors, employees and Affiliates from all liability arising out of, or related to, such Third-Party Claim. An Indemnifying Party may not, without the prior written consent of the Indemnified Party, settle or compromise any Third-Party Claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder unless such settlement, compromise or consent (i) includes an unconditional release of the Indemnified Party and its officers, directors, employees and Affiliates from all liability arising out of, or related to, such Third-Party Claim, (ii) does not contain any admission or statement suggesting any wrongdoing or liability on behalf of the Indemnified Party, (iii) involves solely the payment of money damages by the Indemnifying Party, and (iv) does not impose any injunctive or equitable relief or any other

liability, obligation or restriction on the Indemnified Party or any of the Indemnified Party's Affiliates and does not otherwise contain any order, judgment or term that in any manner affects, restrains or interferes with the business of the Indemnified Party or any of the Indemnified Party's Affiliates, including, without limitation, the Acquired Companies in the case of the Purchaser.

(c) In the event an Indemnified Party claims a right to payment pursuant hereto with respect to any matter not involving a Third Party Claim (a "Direct Claim"), such Indemnified Party shall send written notice of such claim to the appropriate Indemnifying Party (a "Notice of Claim"). Such Notice of Claim shall specify the basis for such Direct Claim. The failure by any Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party with respect to any Direct Claim made pursuant to this Section 9.3(c), it being understood that Notices of Claim in respect of a breach of a representation or warranty must be delivered prior to the expiration of the survival period for such representation or warranty under Section 9.4. In the event the Indemnifying Party does not notify the Indemnified Party in writing within thirty (30) days following its receipt of such Notice of Claim that the Indemnifying Party disputes its liability to the Indemnified Party under this Article IX or the amount thereof (such notice from the Indemnifying Party, a "Direct Claim Objection Notice"), the Direct Claim specified by the Indemnified Party in such Notice of Claim shall be conclusively deemed a liability of the Indemnifying Party under this Article IX, and the Indemnifying Party shall pay the amount of such liability to the Indemnified Party on demand or, in the case of any notice in which the amount of the Direct Claim (or any portion of the Direct Claim) is estimated, on such later date when the amount of such Direct Claim (or such portion of such Direct Claim) becomes finally determined. In the event the Indemnifying Party has timely provided the Indemnified Party a Direct Claim Objection Notice disputing its liability with respect to such Direct Claim as provided above, as promptly as reasonably practicable, then such Indemnified Party and the appropriate Indemnifying Party shall establish the merits and amount of such Direct Claim (by mutual agreement or arbitration or otherwise) and, within five (5) Business Days following the final determination of the merits and amount of such Direct Claim, the Indemnifying Party shall pay to the Indemnified Party immediately available funds in an amount equal to such Direct Claim as determined hereunder.

Section 9.4 Survival Period. The representations and warranties made by the parties herein shall not be extinguished by the Closing, but shall survive the Closing for, and all claims for indemnification in connection therewith shall be asserted not later than, the date that is eighteen (18) months after the Closing Date; *provided, however*, that each of the representations and warranties contained in Section 2.1 (Organization; Standing and Power; Subsidiaries), Section 2.3 (Authority; Binding Nature of Agreement), Section 2.5 (Capitalization), Section 2.16 (Tax Matters), Section 2.17 (Employee Benefit Plans), Section 2.20 (Environmental Matters), Section 2.22 (Related Party Transactions), Section 2.32 (Finder's Fee) (the foregoing representations and warranties are collectively referred to in this Agreement as the "Fundamental Representations"), Section 3.1 (Corporate Existence and Power) and Section 3.2 (Authorization), shall survive the Closing without limitation as to time, and the period during which a claim for indemnification may be asserted in connection therewith shall continue indefinitely and not be

subject to any applicable statute of limitations. The covenants and agreements of the parties hereunder shall survive without limitation as to time, and the period during which a claim for indemnification may be asserted in connection therewith shall continue indefinitely. Notwithstanding the foregoing, if, prior to the close of business on the last day a claim for indemnification may be asserted hereunder, an Indemnifying Party shall have been properly notified of a claim for indemnity hereunder and such claim shall not have been finally resolved or disposed of at such date, such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms hereof. Without limiting the generality of the foregoing, the parties hereto agree that any claim for indemnification for Purchaser Losses which may be subject to the Deductible Amount shall also survive until after the final determination of the Adjustment Amount and the Deductible Amount in accordance with Sections 1.4 and 9.5 hereof, respectively, and the payment to the applicable Purchaser Indemnified Parties of any such Purchaser Losses that are determined to be in excess of the Deductible Amount (as the Deductible Amount is so finally determined in accordance with Section 9.5 hereof).

Section 9.5 Liability Limits. Notwithstanding anything to the contrary in Section 9.1 above, the Purchaser Indemnified Parties may not recover any Losses under Section 9.1(a) with respect to a breach of the representations and warranties set forth in Sections 2.16 (Tax Matters), 2.17 (Employee Benefit Plans) or 2.20 (Environmental Matters) relating to an individual claim or series of related claims resulting in Losses in the amount of Thirty Thousand Dollars ($30,000) or less. Notwithstanding anything to the contrary in Section 9.1 above, the Purchaser Indemnified Parties shall not be entitled to recover any Purchaser Losses in respect of claims for indemnification under Section 9.1(a) (other than with respect to claims for indemnification for breaches of the Fundamental Representations) unless and until the aggregate amount of such Purchaser Losses exceeds an amount (the "Deductible Amount") equal to (a) One Million Five Hundred Thousand Dollars ($1,500,000), minus (B) the Adjustment Amount; provided, in no event shall the Deductible Amount be less than zero. In the event that Purchaser Losses in respect of claims for indemnification under Section 9.1(a) (other than with respect to claims for indemnification for breaches of the Fundamental Representations) exceed the Deductible Amount, the Purchaser Indemnified Parties shall be entitled to recover all such Purchaser Losses in excess of the Deductible Amount, subject to the Cap. The total aggregate liability of the Shareholders for Purchaser Losses with respect to any claims made pursuant to Section 9.1(a) shall be limited to Eight Million Dollars ($8,000,000) (the "Cap"). Notwithstanding the foregoing, (a) the limitations set forth in this Section 9.5 shall not apply to, and the Shareholders shall be liable for the entire amount of, any Purchaser Losses arising out of or relating to any fraud or any willful breach or misconduct and (b) the Deductible and the Cap shall not apply to, and the Shareholders shall be liable for the entire amount (up to an aggregate amount of Sixty-Four Million Six Hundred Thousand Dollars ($64,600,000)) of Losses resulting from, any breach of any of the Fundamental Representations. If the Purchase Price is adjusted downward due to facts or circumstances that give rise to any Post-Closing Reduction pursuant to Section 1.4(d) of this Agreement, the Purchaser Indemnified Parties shall not also be entitled to indemnification for breaches of representations, warranties, covenants or agreements arising from such facts or circumstances

to the extent the Purchaser relating thereto are reflected as liabilities in the Adjusted Audited GAAP Book Value included in the Final Post-Closing Adjustment Schedule.

Section 9.6 Investigations. The respective representations, warranties, covenants and agreements of the parties contained in this Agreement or any certificate or other document delivered by any party at or prior to the Closing and the rights to indemnification set forth in this Article IX shall not be deemed waived or otherwise affected by any examination, investigation made, or knowledge acquired (or capable of being acquired), by a party at any time, whether before or after the execution and delivery of this Agreement or the Closing.

Section 9.7 Indemnification Payments. All payments from one party to this Agreement to another party to this Agreement made under this Article IX are in the nature of adjustments to the Purchase Price and each party agrees that it will file its federal, state and local Tax Returns in a manner consistent with treating such payments as adjustments to the Purchase Price. Any indemnity payments required to be made by a party to this Agreement under this Article IX shall be made within ten (10) Business Days after the determination thereof via wire transfer of immediately available funds to such bank and accounts as are designated by the recipient(s) of such indemnity payments; provided, that, in the case of Purchaser Losses owed to any of the Purchaser Indemnified Parties, if any funds remain in the Escrow Account or any amounts remain payable under the Seller Note such Purchaser Losses shall first be satisfied as follows: (i) the Purchaser and the Shareholders Representative shall jointly instruct the Escrow Agent in writing to pay to the applicable Purchaser Indemnified Parties by wire transfer of immediately available funds, a portion of the Purchaser Losses owed to such Purchaser Indemnified Parties (the "Indemnity Escrow Portion") equal to the product of (A) the Escrow Participant Ownership Percentage, multiplied by (B) the aggregate amount of the Purchaser Losses owed to such Purchaser Indemnified Parties, (ii) the original principal amount of the Seller Note shall be offset and reduced (effective as of the Closing Date) by an amount equal to the product of (A) the Non-Escrow Participant Ownership Percentage, multiplied by (B) the aggregate amount of the Purchaser Losses owed to such Purchaser Indemnified Parties and (iii) in the event that the Indemnity Escrow Portion exceeds the amount then remaining in the Escrow Account (such excess, the "Indemnity Escrow Portion Excess"), the remaining principal balance of the Seller Note shall be further offset and reduced (effective as of the Closing Date) by the amount of such Indemnity Escrow Portion Excess. No Shareholder shall have, and each Shareholder hereby irrevocably waives, any right of contribution or reimbursement from any Acquired Company, the Purchaser or their respective officers, directors or managers with respect to any Purchaser Losses or claims for indemnification pursuant to this Article IX, including, without limitation, under any provision of the Company Constituent Documents or any indemnification or similar agreement.

Section 9.8 Exclusive Remedy. Except for (a) any claims by the Purchaser for fraud or willful breach or misconduct, (b) any claims for injunctive relief, specific performance or other equitable remedies, or (c) any claims relating to any agreement (other than this Agreement, the Shareholder Compliance Certificate or the Purchaser Compliance Certificate) entered into by the Company or any Shareholder or any related indirect owner, beneficiary or Affiliate thereof, including, without limitation, the Contribution Agreement, the Noncompetition Agreements, the

Executive Agreements, the JGS Lease, the Seller Note, and the Escrow Agreement, from and after the Closing, the indemnities provided in this Article IX shall constitute the sole and exclusive remedy of any Indemnified Party for Losses arising out of or resulting from any breach of the representations, warranties, covenants or agreements contained in this Agreement, the Shareholder Compliance Certificate or the Purchaser Compliance Certificate.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.1 Shareholder Representative.

(a) Martin G. Lane Jr. is hereby irrevocably appointed as exclusive representative, agent and attorney-in-fact for the Company (prior to the Closing) and each Shareholder (i) to consummate the transactions contemplated by this Agreement and/or the Shareholder Related Agreements, (ii) to give and receive notices and communications relating to the transactions and other matters contemplated by this Agreement or the Shareholder Related Agreements, including, without limitation, those relating to adjustments to the Purchase Price and indemnification claims, (iii) to make decisions on behalf of the Company (prior to the Closing) and the Shareholders with respect to the transactions and other matters contemplated by this Agreement or the Shareholder Related Agreements, including regarding (A) adjustments to the Purchase Price, (B) indemnification claims, (C) amendments to this Agreement or the Shareholder Related Agreements, and (D) the defense of third party suits that may be the subject of indemnification claims, and to negotiate, enter into settlements and compromises of, and demand litigation or arbitration with respect to such third party suits or claims by the Purchaser for indemnification, (iv) to do each and every act, implement any decision and exercise any and all rights which the Company (prior to the Closing) or the Shareholders are permitted to do as contemplated by this Agreement or the Shareholder Related Agreements, (v) to authorize delivery to a Purchaser Indemnified Party of any funds and property in its possession in satisfaction of claims for post-closing adjustments or indemnification claims by such Purchaser Indemnified Party, (vii) to use the funds in the Reserve Account in accordance with this Agreement; and (viii) to make, execute, acknowledge and deliver all such other agreements, guarantees, orders, receipts, endorsements, notices, requests, instructions, certificates, stock powers, letters and other writings, and, in general, to do any and all things and to take any and all actions that the Shareholder Representative, in its sole discretion, may consider necessary or proper or convenient in connection with or to carry out the transactions contemplated by this Agreement or any of the Shareholder Related Documents.

(b) The Company and each Shareholder agrees that (i) the provisions of this Section 10.1 are independent and severable, are irrevocable and coupled with an interest and (A) shall be enforceable notwithstanding any rights or remedies the Company or any Shareholder may have in connection with the transactions contemplated by this Agreement or the Shareholder Related Agreements and (B) shall survive the death, incapacity, bankruptcy, dissolution or liquidation of any Shareholder, (ii) a remedy at law for any breach of the provisions of this Section 10.1 would be inadequate, and (iii) the provisions of this Section 10.1 shall be binding

upon the successors and assigns of the Company (but only until the Closing) and each Shareholder.

(c) The Shareholder Representative shall, in its role as the Shareholder Representative, have all of the rights and powers which the Company (but only until the Closing) or the Shareholders would otherwise have. A decision, act, consent or instruction of the Shareholder Representative relating to this Agreement or the Shareholder Related Agreements shall constitute a decision for the Company (but only until the Closing) and all Shareholders, and shall be final, binding and conclusive upon the Company (but only until the Closing) and the Shareholders, and the Purchaser may rely upon any such decision, act, consent or instruction of the Shareholder Representative as being the decision, act, consent or instruction of the Company and every Shareholder.

(d) The Shareholder Representative may be removed or replaced by the Shareholders at any time upon the vote of the Shareholders holding a majority of the Shares held by the Shareholders as of immediately prior to the Closing and the Contribution, voting together as a single class ("Shareholders Majority Vote"). Subject to the appointment and acceptance of a successor Shareholder Representative as provided below, the Shareholder Representative may resign at any time thirty (30) days after giving notice thereof to the Shareholders. Upon any such removal or resignation or upon the death or disability of the Shareholder Representative, the Shareholders may appoint a successor Shareholder Representative by a Shareholders Majority Vote. If no successor Shareholder Representative shall have been appointed by the Shareholders and accepted such appointment within twenty (20) days after the retiring Shareholder Representative's giving of notice of resignation or the Shareholders' removal of the Shareholder Representative, then the retiring Shareholder Representative may, on behalf of the Shareholders, appoint a successor. Upon the acceptance of any appointment as the Shareholder Representative hereunder, such successor Shareholder Representative shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Shareholder Representative, and the retiring Shareholder Representative shall be discharged from its duties and obligations hereunder. Any such successor shall become the "Shareholder Representative" for purposes of this Agreement.

Section 10.2 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

Section 10.3 Fees and Expenses.

(a) Subject to Section 10.3(b) below, each party to this Agreement shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such party in connection with the transactions contemplated by this Agreement; *provided, however,* that the Shareholders shall be responsible for all Transaction Expenses.

(b) Notwithstanding the foregoing, in the event that the Closing does not occur on or prior to the Outside Date other than as a result of a termination of this Agreement by the Shareholder Representative pursuant to Section 8.1(c) above, the Company shall reimburse the Purchaser for all Purchaser Expenses. "Purchaser Expenses" shall mean all reasonable and documented out-of-pocket fees and expenses (including all reasonable fees and expenses of counsel, accountants, financial advisors, investment bankers and proxy solicitors of the Purchaser and its Affiliates), incurred by the Purchaser or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and any transactions related thereto, any litigation with respect thereto, the filing of any required notices under any Laws, or in connection with other regulatory approvals, and all other matters related to the transactions contemplated hereby. Any Purchaser Expenses due under this Section 10.3(b) shall, except to the extent disputed by the Shareholder Representative in accordance with the procedure set forth in Section 10.3(b), be paid by wire transfer of immediately available funds no later than two Business Days after the Company's receipt from the Purchaser of an itemized statement (with supporting documentation attached) identifying such Purchaser Expenses, such funds to be paid to the account and pursuant to the wire instructions set forth on such itemized statement. The parties hereto agree that any dispute regarding the Shareholders' obligations under this Section 10.3(b) shall be resolved in accordance with Section 10.8.

Section 10.4 Waiver; Amendment. Any agreement on the part of a party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by a party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time. This Agreement may not be amended, modified or supplemented except by written agreement of each of the Purchaser and the Shareholder Representative.

Section 10.5 Entire Agreement. This Agreement and the Shareholder Related Agreements constitute the entire agreement among the parties to this Agreement and supersede all other prior agreements and understandings, both written and oral, among or between any of the parties with respect to the subject matter hereof and thereof.

Section 10.6 Execution of Agreement; Counterparts; Electronic Signatures.

(a) This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, 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 counterparts.

(b) The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable

document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

Section 10.7 Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware (without giving effect to principles of conflicts of laws).

Section 10.8 Arbitration.

(a) Except for determinations to be made in accordance with Section 1.4(c) of this Agreement, any controversy, claim or dispute involving the parties (or their affiliated Persons) directly or indirectly concerning this Agreement or the subject matter hereof (including, without limitation, any issues and matters arising under the federal and state securities laws, questions concerning the scope and applicability of this Section 10.8 and any determination to be made by the Accounting Referee in accordance with Section 1.4(c) which the Accounting Referee refuses to make) shall be finally settled by arbitration held in Chicago, Illinois by one arbitrator in accordance with the rules of commercial arbitration then followed by the Judicial Arbitration and Mediation Service, or any successor to the functions thereof. The arbitrator shall apply Delaware law in the resolution of all controversies, claims and disputes and shall have the right and authority to determine how his or her decision or determination as to each issue or matter in dispute may be implemented or enforced. Any decision or award of the arbitrator shall be final and conclusive on the parties to this Agreement and their respective Affiliates.

(b) The parties hereto agree that any action to compel arbitration pursuant to this Agreement may be brought in the appropriate federal or state court in Cook County, Illinois and in connection with such action to compel the laws of the State of Delaware shall control. Application may also be made to such court for confirmation of any decision or award of the arbitrator, for an order of the enforcement and for any other remedies which may be necessary to effectuate such decision or award. The parties hereto hereby consent to the jurisdiction of the arbitrator and of such court and waive any objection to the jurisdiction of such arbitrator and court.

(c) Notwithstanding the foregoing provisions of this Section 10.8, nothing contained herein shall require arbitration of any issue arising under this Agreement for which injunctive relief or specific performance is successfully sought by any party hereto. Any action, suit or other proceeding initiated by any party hereto against any other party for injunctive relief, specific performance or to enforce this Section 10.8 or any decision or award of the arbitrator may be brought in any federal or state court in Cook County, Illinois having jurisdiction over the subject matter thereof as the party bringing such action, suit or proceeding shall elect. The parties hereto hereby submit themselves to the jurisdiction of any such court and agree that service of process on them in any such action, suit or proceeding may be effected by the means by which notices are to be given to it under this Agreement.

Section 10.9 Attorneys' Fees. In the event of any dispute related to or based upon this Agreement which is resolved pursuant to Section 10.8 above, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees, costs and expenses.

Section 10.10 Assignment and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Purchaser and the Shareholder Representative, except that the Purchaser may, without the prior written consent of the Shareholder Representative, assign any of its rights and delegate any of its obligations under this Agreement to any of its Affiliates or to its lenders as collateral security or to any Person that acquires (whether by merger, purchaser of stock, purchase of assets or otherwise), or is the successor or surviving entity in any such acquisition, merger or other transaction involving Purchaser, as applicable. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties.

Section 10.11 Parties in Interest. Except for the provisions of Article IX, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto and their respective successors and assigns (if any).

Section 10.12 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), or (b) sent by facsimile with confirmation of transmission by the transmitting equipment confirmed with a copy delivered as provided in clause (a), in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other parties):

The Company (prior to the Closing), the Shareholders and the Shareholder Representative (on its own behalf and for the benefit of the Company (prior to the Closing) and the Shareholders):

_____

_____

Attention:_____

Fax no.:_____

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

_____

Attention:_____

Fax no.:_____

Purchaser:_____

_____

Attention:_____

Fax no.:_____

with a copy to (which copy shall not constitute notice):
Paul Hastings LLP
695 Town Center Drive
Costa Mesa, CA 92626-1924
Attention: William J. Simpson, Esq.
Fax no.: (714) 979-1921

Section 10.13 Construction; Usage.

(a) Interpretation. In this Agreement, unless a clear contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(v) reference to any Law means such Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Law means that provision of such Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

(vii) "including" means including without limiting the generality of any description preceding such term; and

(viii) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

(b) Legal Representation of the Parties. This Agreement was negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation

otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

(c) Table of Contents; Headings. The table of contents and article, section and subsection headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

(d) Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

Section 10.14 No Reliance. None of the Shareholders or the Company relied upon Purchaser, Endeavour Capital Fund V, L.P., Endeavour Associates Fund V, L.P. or any of their respective Affiliates, members, partners, managers, stockholders, directors, officers, employees, agents, attorneys or representatives (collectively the "Other Parties") for any advice concerning federal or state Tax consequences to the Company or any Shareholder resulting from the transactions contemplated hereby (including, without limitation, the sale of the Shares or the Contribution). Each of the Shareholders and the Company will be responsible for the full amount of any federal or state and any other Tax liability resulting from such matters and will not look the Other Parties for any reimbursement, offset or gross-up to the Purchase Price as a result of such liability.

Section 10.15 Enforcement of Agreement. The parties acknowledge and agree that the Purchaser would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by the Company or the Shareholders could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which the Purchaser may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

Section 10.16 Cumulative Remedies. Subject to Section 9.8, all rights and remedies of the parties hereto are cumulative with and not exclusive of any other right or remedy a party may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies.

Section 10.17 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Section 10.18 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 10.19 Schedules and Exhibits. The Schedules and Exhibits (including the Shareholder Disclosure Schedule) are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full herein.

* * *

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

PURCHASER:

K2 INSURANCE SERVICES, LLC

By: _____
Name: _____
Title: _____

COMPANY:

AEGIS SECURITY, INC.

By: _____
Martin G. Lane Jr.
President

SHAREHOLDERS:

_____
Martin G. Lane Jr., trustee of the Martin G. Lane Jr. Revocable Trust

_____
John J. Nissley, trustee of the Martin G. Lane Jr. Irrevocable Trust

_____
John J. Nissley, trustee of the Lane Family Irrevocable Trust

_____
Elyse E. Rogers, trustee of the Lane Family Irrevocable Trust

Elyse E. Rogers, trustee of the Samantha Lane Walker Irrevocable Trust

Elyse E. Rogers, trustee of the Alex Bradley Walker Irrevocable Trust

[Name]

[Name]

SHAREHOLDER REPRESENTATIVE:

Martin G. Lane Jr.

[SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT]

EXHIBIT A

DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

"Accounting Referee" has the meaning set forth in Section 1.4(c).

"Acquired Companies" means the Company and each of its Subsidiaries.

"Acquired Insurance Companies" means Aegis Security Insurance Company and American Sentinel Insurance Company.

"Acquisition Proposal" has the meaning set forth in Section 4.4(a).

"Acquisition Transaction" means any transaction or series of transactions involving:

(a) any merger, consolidation, share exchange, business combination, issuance of securities, direct or indirect acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction involving an Acquired Company;

(b) any direct or indirect sale, lease, exchange, transfer, license, acquisition or disposition of a material portion of the business or assets of an Acquired Company; or

(c) any liquidation or dissolution of any of the Acquired Companies.

"Actuarial Reports" has the meaning set forth in Section 2.9(a).

"Adjusted Audited GAAP Book Value" means an amount equal to (a) the book value of the Company as of December 31, 2012 (which the parties agree shall include accruals for all unpaid liabilities relating to the termination of the Company SARs and the Excluded Contracts and the satisfaction of any liabilities owed to any Shareholder or any Related Party pursuant to Section 4.7), minus (b) the book value of the Owned Real Property as of December 31, 2012, in each case, as determined in accordance with GAAP as adjusted by the Adjustment Methodology.

"Adjusted Owned Real Property Value" means an amount equal to (a) the net proceeds (after Taxes and selling and transaction fees, costs and expenses incurred in connection therewith) received by the Acquired Companies from the sale of any Owned Real Property owned as of the close of business on December 31, 2012 and sold after December 31, 2012, plus (b) the fair market value of any Owned Real Property owned as of the close of business on December 31, 2012 and still owned by any Acquired Company at the time of determination of the Adjusted Owned Real Property Value, less the amount of Taxes and selling and transaction fees, costs and expenses that would be incurred by the Acquired Companies in connection with the sale of such Owned Real Property at such fair market value.

"Adjustment Amount" has the meaning set forth in Section 1.4(d).

"Adjustment Methodology" shall mean the methodology attached hereto as Schedule 1.4 to be used in calculating the Adjusted Audited GAAP Book Value and for preparing the Unaudited Interim Financial Statements. **[NTD: Adjustment Methodology to be discussed.]**

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person.

"Agreement" means this Stock Purchase Agreement, as amended from time to time.

"Applicable Benefit Laws" means all Laws, applicable to any Company Benefit Plan or ERISA Affiliate Plan.

"Balance Sheet" has the meaning set forth in Section 2.6(a).

"Bankruptcy and Equity Exception" has the meaning set forth in Section 2.3.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in Pennsylvania or California.

"Cash Purchase Price" has the meaning set forth in Section 1.2(c).

"Cap" has the meaning set forth in Section 9.5.

"Closing" means the consummation of the purchase and sale of the Shares, as set forth in Article VIII of this Agreement.

"Closing Cash Payment" means an amount of the Cash Purchase Price equal to (a) the Cash Purchase Price, minus (b) the Escrow Amount, minus (c) the Reserve Amount.

"Closing Date" means the date on which the Closing occurs.

"Code" means the United States Internal Revenue Code of 1986.

"Company" has the meaning set forth in the Preamble.

"Company Benefit Plan" means each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained at any time by any Acquired Company or to which any Acquired Company makes or has made, or has or has ever had an obligation to make, contributions at any time, or with respect to which any Acquired Company has or has ever had any liability or obligation, including, without limitation, the Company ESOP.

"Company Constituent Documents" has the meaning set forth in Section 2.2.

"Company Common Stock" means the common stock, no par value, of the Company.

"Company Contract" means any Contract, including any amendment or supplement thereto, (a) to which any of the Acquired Companies is a party, (b) by which any of the Acquired

Companies or any of their respective assets is or may become bound or under which any of the Acquired Companies has, or may become subject to, any obligation or (c) under which any of the Acquired Companies has or may acquire any right or interest.

"Company ESOP" means the Aegis Security, Inc. Employee Stock Ownership Plan.

"Company Financial Statements" has the meaning set forth in Section 2.6(b).

"Company GAAP Financial Statements" has the meaning set forth in Section 2.6(a).

"Company Intellectual Property" means all Intellectual Property owned by, licensed to or used by any of the Acquired Companies.

"Company Proprietary Software" means all Software owned by the Acquired Companies.

"Company Redundant Reserve Amount" means [an amount equal to (a) the gross amount of claims, after deducting salvage and subrogation recoverable, which have been reported to the Company and its Subsidiaries and are unpaid, and the anticipated amount of future claims (calculated on an actuarial basis and taking into account the actual loss experience of the Company and its Subsidiaries in the eighteen (18) month period following the Closing) with respect to all policies written on or prior to December 31, 2012 for which the Company has any Liability, minus (b) the amount of losses and loss expenses included as a liability in the calculation of the Adjusted Audited GAAP Book Value].

"Company Registered Intellectual Property" means all of the Registered Intellectual Property owned by, filed in the name of, or licensed to any Acquired Company.

"Company Rights" has the meaning set forth in Section 2.5(c).

"Company SARs" means the stock appreciation rights issued pursuant to the Company's Stock Appreciation Rights Plan.

"Company Statutory Financial Statements" has the meaning set forth in Section 2.6(b).

"Confidential Information" means any data or information concerning any Acquired Company (including trade secrets), without regard to form, regarding (for example and including) (a) business process models, (b) proprietary software, (c) research, development, products, services, marketing, selling, business plans, budgets, unpublished financial statements, licenses, prices, costs, Contracts, suppliers, customers, and customer lists, (d) the identity, skills and compensation of employees, contractors, and consultants, (e) specialized training or (f) discoveries, developments, trade secrets, processes, formulas, data, lists, and all other works of authorship, mask works, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property Laws or industrial property Laws in the United States or elsewhere. Notwithstanding the foregoing, no data or information constitutes "Confidential Information" if such data or information is publicly known and in the public domain through means that do not involve a

breach by the Company or a Shareholder of any covenant or obligation set forth in this Agreement.

"Contract" means any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether express or implied.

"Contribution" has the meaning set forth in the Recitals.

"Contribution Agreement" has the meaning set forth in the Recitals.

"Deductible Amount" has the meaning set forth in Section 9.5.

"Department" means the Pennsylvania Insurance Department.

"Direct Claim" has the meaning set forth in Section 9.3(c).

"Direct Claim Objection Notice" has the meaning set forth in Section 9.3(c).

"Employee" means an employee of any of the Acquired Companies.

"Employee Benefit Plan" means with respect to any Person, each plan, fund, program, agreement, arrangement or scheme, including each plan, fund, program, agreement, arrangement or scheme maintained or required to be maintained under applicable Laws, that is at any time sponsored or maintained or required to be sponsored or maintained by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing benefits to the current and former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), or with respect to which such Person has any liability or obligation, including (a) each deferred compensation, bonus, incentive compensation, pension, retirement, employee stock ownership, stock purchase, stock option, profit sharing or deferred profit sharing, stock appreciation, phantom stock plan and other equity compensation plan, "welfare" plan (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA), (b) each "pension" plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is either subject to ERISA or is tax-qualified under the Code), (c) each severance plan or agreement, and each other plan providing health, vacation, supplemental unemployment benefit, hospitalization insurance, medical, dental, disability, life insurance, death or survivor benefits, fringe benefits or legal benefits, and (d) each other employee benefit plan, fund, program, agreement or arrangement.

"Encumbrance" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature affecting property, real or personal, tangible or intangible, including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any

income derived from any asset, any restriction on the use of any asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset, any lease in the nature thereof and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute of any jurisdiction).

"Entity" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"Environmental Law" means any federal, state, local or foreign Law relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including any law or regulation relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern.

"ERISA" means the United States Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any Person that together with any Acquired Company would be deemed a "single employer" within the meaning of Section 414 of the Code or Section 4001(a)(15) of ERISA.

"ERISA Affiliate Plan" means each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained at any time by any ERISA Affiliate, or to which such ERISA Affiliate makes or has made, or has or has ever had an obligation to make, contributions at any time, or with respect to which such ERISA Affiliate has or has ever had any liability or obligation.

"Escrow Account" has the meaning set forth in Section 1.3(b).

"Escrow Agent" has the meaning set forth in Section 1.3(b).

"Escrow Agreement" has the meaning set forth in Section 1.3(b).

"Escrow Amount" means an amount equal to [•] Dollars ($[•]).

"Escrow Participant Ownership Percentage" means an amount equal to (a) the aggregate number of Shares owned by all of the Escrow Participants immediately prior to the Closing and the Contribution, divided by (b) the aggregate number of Shares owned by all of the Shareholders immediately prior to the Closing and the Contribution.

"Escrow Participants" shall mean each of the Shareholders other than the Non-Escrow Participants.

"Escrow Portion Excess" has the meaning set forth in Section 1.4(d).

"Exchange Act" means the Securities Exchange Act of 1934, as amended and, the rules and regulations promulgated thereunder.

"Excluded Contracts" has the meaning set forth in Section 4.12.

"Executive Agreements" has the meaning set forth in Section 7.2(c).

"Final Post-Closing Adjustment Schedule" has the meaning set forth in Section 1.4(b).

"Final Reduction Excess" has the meaning set forth in Section 1.4(d).

"FMLA" means the United States Family and Medical Leave Act.

"Fundamental Representations" has the meaning set forth in Section 9.4.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Authorization" means any (a) approval, permit, license, certificate, franchise, permission, clearance, registration, qualification or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law or (b) right under any Contract with any Governmental Body.

"Government Bid" means any quotation, bid or proposal submitted to any Governmental Body or any proposed prime contractor or higher-tier subcontractor of any Governmental Body.

"Governmental Body" means any (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, (b) federal, state, local, municipal, foreign, supranational or other government or (c) governmental, self-regulatory or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or Entity and any court or other tribunal).

"Government Contract" means any prime contract, subcontract, letter contract, purchase order or delivery order executed or submitted to or on behalf of any Governmental Body or any prime contractor or higher-tier subcontractor, or under which any Governmental Body or any such prime contractor or subcontractor otherwise has or may acquire any right or interest.

"HMO" has the meaning set forth in Section 2.17(i).

"HSR Act" means the United States Hart Scott Rodino Antitrust Improvements Act of 1976.

"Improvements" has the meaning set forth in Section 2.11(a).

"Indemnified Party" means a Purchaser Indemnified Party or a Shareholder Indemnified Party.

"Indemnifying Party" has the meaning set forth in Section 9.3(a).

"Indemnity Escrow Portion" has the meaning set forth in Section 9.7.

"Indemnity Escrow Portion Excess" has the meaning set forth in Section 9.7.

"Independent Actuary" has the meaning set forth in Section 1.4(c)(iii).

"Independent Appraiser" has the meaning set forth in Section 1.4(c)(ii).

"Insurance Contract" has the meaning set forth in Section 2.24(a).

"Intellectual Property" means any or all of the following and all rights, arising out of or associated therewith: (a) all patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (b) all inventions (whether patentable or not), invention disclosures, improvements, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (c) all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto; (d) all industrial designs and any registrations and applications therefor; (e) all internet uniform resource locators, domain names, trade names, logos, slogans, designs, common law trademarks and service marks, trademark and service mark registrations and applications therefor; (f) all Software, databases and data collections and all rights therein; (g) all moral and economic rights of authors and inventors, however denominated; and (h) any similar or equivalent rights to any of the foregoing.

"Investment Assets" means any investment assets (whether or not required by SAP to be reflected on a balance sheet) beneficially owned (within the meaning of Rule 13d-3 under the Securities Exchange Act) by any Acquired Insurance Company, including bonds, notes, debentures, mortgage loans, real estate and all other instruments of indebtedness, stocks, partnership or joint venture interests and all other equity interests, certificates issued by or interests in trusts, derivatives and all other assets acquired for investment purposes.

"IRS" has the meaning set forth in Section 2.17(b).

"JGS Lease" has the meaning set forth in Section 7.2(j).

"Knowledge." An individual shall be deemed to have "Knowledge" of a particular fact or other matter if:

(a) such individual is actually aware of such fact or other matter; or

(b) such individual would have had knowledge of such fact following a reasonable investigation, if under the circumstances a reasonable person would have determined such investigation was required or appropriate in the normal course of fulfillment of such individual's duties.

The Company shall be deemed to have "Knowledge" of a particular fact or other matter if any Shareholder, officer, management Employee or other Representative of any Acquired Company has Knowledge of such fact or other matter. The Company shall not be deemed to have "Knowledge" of a particular fact or other matter if no Shareholder, officer, management Employee or other Representative of any Acquired Company has Knowledge of such fact or other matter.

"Labor Laws" means all Laws governing or concerning labor relations, unions and collective bargaining, conditions of employment, employee classification, employment discrimination and harassment, wages, hours or occupational safety and health, including ERISA, the United States Immigration Reform and Control Act of 1986, the United States National Labor Relations Act, the United States Civil Rights Acts of 1866 and 1964, the United States Equal Pay Act, the United States Americans with Disabilities Act, the United States Age Discrimination in Employment Act, FMLA, WARN, the Occupational Safety and Health Act of 1970, the United States Davis Bacon Act, the United States Walsh-Healy Act, the United States Service Contract Act, United States Executive Order 11246, the United States Fair Labor Standards Act and the United States Rehabilitation Act of 1973.

"Law" means any federal, state, local, municipal, foreign or international, multinational other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"Leased Real Property" means the parcels of real property of which any Acquired Company is the lessee or sublessee (together with all fixtures and improvements thereon).

"Leases" has the meaning set forth in Section 2.11(b).

"Legal Proceeding" means any ongoing or threatened action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

"Losses" means any and all claims, liabilities, obligations, damages, losses, penalties, fines, judgments, costs and expenses (including amounts paid in settlement, costs of investigation and reasonable attorneys' fees, costs and expenses), whenever arising or incurred, and whether arising out of a third party claim.

"Material Adverse Effect" means any state of facts, change, event, effect, occurrence or circumstance that, individually or in the aggregate (considered together with all other state of facts, change, event, effect, occurrence or circumstance) has, has had or could reasonably be expected to have or give rise to a material adverse effect on (a) the business, financial condition, prospects, capitalization, assets, liabilities, operations or financial performance of any of the Acquired Companies, (b) the ability of the Company or a Shareholder to consummate the transactions contemplated by this Agreement or to perform any of its obligations under this

Agreement prior to the Termination Date, or (c) the Purchaser's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the stock of the Acquired Companies.

"Materials of Environmental Concern" means any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum and petroleum products and any other substances that are now or hereafter regulated by any Environmental Law or that are otherwise a danger to health, reproduction or the environment.

"NLRB" means the United States National Labor Relations Board.

"Noncompetition Agreements" has the meaning set forth in Section 7.2(d).

"Non-Escrow Participant Ownership Percentage" means an amount equal to (a) the aggregate number of Shares owned by all of the Non-Escrow Participants immediately prior to the Closing and the Contribution, divided by (b) the aggregate number of Shares owned by all of the Shareholders immediately prior to the Closing and the Contribution.

"Non-Escrow Participants" means Martin G. Lane Jr., trustee of the Martin G. Lane Jr. Revocable Trust.

"Notice of Claim" has the meaning set forth in Section 9.3(c).

"November Unaudited Interim Balance Sheet" has the meaning set forth in Section 2.6(a).

"NQDC Plan" has the meaning set forth in Section 2.17(l).

"Objection Notice" has the meaning set forth in Section 1.4(b)(i).

"Order" means any decree, permanent injunction, order or similar action.

"Ordinary Course of Business" means the Acquired Companies' ordinary course of business consistent with past practice (but excluding any breaches of Contract or violations of Law or torts).

"OSHA" means the United States Occupational Safety and Health Administration.

"Outside Date" has the meaning set forth in Section 8.1(d).

"Other Parties" has the meaning set forth in Section 10.14.

"Owned Real Property" means the parcels of real property which any Acquired Company owns (together with all fixtures and improvements thereon).

"Permitted Encumbrance" means any (a) Encumbrance for Taxes not yet due and payable (excluding Encumbrances arising under ERISA or the Code), (b) Encumbrances of carriers,

warehousemen, mechanics, materialmen and repairmen incurred in the Ordinary Course of Business and not yet delinquent and (c) in the case of the Real Property, zoning, building, or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title, none of which, individually or in the aggregate, (i) interfere in any material respect with the present use of or occupancy of the affected parcel by the Acquired Companies, (ii) have more than an immaterial effect on the value thereof or its use, or (iii) would impair the ability of such parcel to be sold for its present use.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, trust, Governmental Body or other organization.

"Post-Closing Adjustment Schedule" has the meaning set forth in Section 1.4(a).

"Pre-Closing Period" has the meaning set forth in Section 4.1.

"Post-Closing Reduction" has the meaning set forth in Section 1.4(d).

"Post-Closing Reduction Escrow Portion" has the meaning set forth in Section 1.4(d).

"Pro Rata Share" shall mean a Shareholder's proportionate share of an amount based on the ratio of the number of Shares owned by such Shareholder immediately prior to the Closing and the Contribution over the aggregate number of Shares owned by all of the Shareholders immediately prior to the Closing and the Contribution.

"Producers" has the meaning set forth in Section 2.26(a).

"Purchase Price" has the meaning set forth in Section 1.2.

"Purchase Price Adjustment Note" has the meaning set forth in Section 1.4(d).

"Purchaser" has the meaning set forth in Preamble.

"Purchaser Compliance Certificate" has the meaning set forth in Section 6.3.

"Purchaser Constituent Documents" means the certificate of incorporation and the bylaws, including all amendments thereto, of the Purchaser.

"Purchaser Expenses" has the meaning set forth in Section 10.3(b).

"Purchaser Indemnified Parties" means the Purchaser and its Affiliates (including the Company), their respective officers, directors, employees, agents and representatives and the heirs, executors, successors and assigns of any of the foregoing.

"Purchaser Losses" has the meaning set forth in Section 9.1.

"Purchaser Related Agreement" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by the Purchaser in connection with the transactions contemplated hereby.

"Purchaser Rollover Units" means [•] Units of the Purchaser.

"Quarterly Statutory Financial Statements" has the meaning set forth in Section 2.6(b)(ii).

"Real Property" means the Leased Real Property and the Owned Real Property.

"Real Property Laws" has the meaning set forth in Section 2.11(g).

"Real Property Permits" has the meaning set forth in Section 2.11(f).

"Receivables" means the accounts receivable, notes receivable and other receivables of any of the Acquired Companies as of the close of business on the Closing Date.

"Redundant Reserve Adjustment Amount" means an amount equal to the product of (a) the Company Redundant Reserve Amount, multiplied by (b) sixty-six percent (66%).

"Registered Intellectual Property" means all (a) patents and patent applications (including provisional applications), (b) registered trademarks and service marks, applications to register trademarks and service marks, intent-to-use applications, or other registrations or applications related to trademarks and service marks, (c) registered copyrights and applications for copyright registration, (d) domain name registrations and (e) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded with or by any Governmental Body.

"Reinsurance Agreements" has the meaning set forth in Section 2.25(a).

"Related Agreements" means the Purchaser Related Agreements and the Shareholder Related Agreements.

"Related Party" means (a) each individual who is, or who has at any time been, an officer or director of any Acquired Company, (b) each member of the immediate family of each of the individuals referred to in clause (a) above and (c) any trust or other Entity (other than the Acquired Companies) in which any one of the individuals referred to in clauses (a) and (b) above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a material voting, proprietary, equity or other financial interest.

"Release" means with respect to any Materials of Environmental Concern, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium or the ambient air.

"Representatives" means, with respect to a Person, the officers, directors, employees, agents, attorneys, accountants, advisors and representatives of such Person.

"Reserve Account" has the meaning set forth in Section 1.3(c).

"Reserve Amount" means an amount equal to [•] Dollars ($[•]).

"Rollover Shareholders" means each of Martin G. Lane Jr., trustee of the Martin G. Lane Jr. Revocable Trust, Darleen Fritz and William Wollyung.

"SAP" means the statutory accounting principles and practices prescribed or permitted by applicable insurance Law or the Department.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Note" has the meaning set forth in Section 1.3(a)(ii).

"September Unaudited Interim Balance Sheet" has the meaning set forth in Section 2.6(a).

"Shareholder Compliance Certificate" has the meaning set forth in Section 5.3.

"Shareholder Disclosure Schedule" means the disclosure schedule (dated as of the date of the Agreement) delivered to the Purchaser on behalf of Shareholders and the Company on the date of this Agreement.

"Shareholder Indemnified Parties" means the Shareholders and their respective heirs, executors, successors and assigns.

"Shareholder Related Agreement" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by the Company or a Shareholder in connection with the transactions contemplated hereby.

"Shareholder Representative" has the meaning set forth in the Preamble.

"Shareholder" has the meaning set forth in the Preamble.

"Shareholders" has the meaning set forth in the Preamble.

"Shareholders Majority Vote" has the meaning set forth in Section 10.1(d).

"Shares" has the meaning set forth in the Recitals.

"Shareholder Losses" has the meaning set forth in Section 9.2.

"Software" means any computer software program, together with any error corrections, updates, modifications, or enhancements thereto, in both machine-readable form and human readable form, including all comments and any procedural code.

"Special Trustee" means [Wilmington Trust Retirement and Institutional Services Company].

"Specified 2012 Dividend" means a dividend of $0.01 per share declared and paid by the Company to its shareholders after December 5, 2012 and prior to December 31, 2012.

"Subsidiary" Any Entity shall be deemed to be a "Subsidiary" of another Person if such Person directly or indirectly (a) has the power to direct the management or policies of such Entity or (b) owns, beneficially or of record, (i) an amount of voting securities or other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's board of directors or other governing body, or (ii) at least 50% of the outstanding equity or financial interests of such Entity; provided, that, notwithstanding the foregoing, Lakeside Insurance Company ("Lakeside"), Cabrillo Insurance Services LLC ("Cabrillo") and Tidewater Pacific Adjusters LLC ("Tidewater") shall each be deemed to be a Subsidiary of the Company for purposes of Sections 2.1, 2.2, 2.4 and 2.5 of this Agreement.

"Subsidiary Interests" has the meaning set forth in Section 2.5(b).

"Tax" means any tax (including any income tax, franchise tax, capital gains tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, withholding tax or payroll tax), levy, assessment, tariff, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), imposed, assessed or collected by or under the authority of any Governmental Body.

"Tax Return" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

"Termination Date" means the date prior to the Closing on which this Agreement is terminated in accordance with Article VIII.

"Third-Party Claim" has the meaning set forth in Section 9.3(a).

["Transaction Bonus Agreements" means [•].]

["Transaction Bonuses" means transaction bonuses amounting in the aggregate to Seven Million Dollars ($7,000,000) payable by the Acquired Companies to employees of the Acquired

Companies in connection with the consummation of the transactions contemplated by this Agreement in accordance with the Transaction Bonus Agreements.]

"Transaction Expenses" means the sum of all fees, costs and expenses (including legal fees and accounting fees and including the amount of all special bonuses and other amounts that may become payable to any officers of an Acquired Company or other Persons in connection with the consummation of the transactions contemplated by this Agreement[other the Transaction Bonuses]) that are incurred by an Acquired Company for the benefit of an Acquired Company or a Shareholder in connection with the transactions contemplated by this Agreement.

"Treasury Regulations" means the temporary and final income Tax regulations promulgated under the Code.

"Unaudited Interim Balance Sheets" has the meaning set forth in Section 2.6(a).

"Unaudited Interim Financial Statements" has the meaning set forth in Section 2.6(a).

"WARN" means the United States Worker Adjustment and Retraining Notification Act and similar state Laws.