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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

Commission file number 1-32737

KOPPERS HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	20-1878963
(State of incorporation)	(IRS Employer Identification No.)

436 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(Address of principal executive offices)

(412) 227-2001
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Common Stock, par value $0.01 per share, outstanding at July 31, 2014 amounted to 20,495,011 shares.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		*Six Months Ended June 30,*	
	2014	*2013*	*2014*	*2013*
(Dollars in millions, except per share amounts)	*(Unaudited)*		*(Unaudited)*	
Net sales	$ 356.8	$ 370.9	$ 688.2	$ 741.3
Cost of sales (excluding items below)	311.9	318.9	597.0	639.4
Depreciation and amortization	9.7	7.3	18.6	14.6
Impairment and restructuring charges	0.0	0.0	15.5	0.0
Selling, general and administrative expenses	21.9	16.2	43.3	33.9
Operating profit	13.3	28.5	13.8	53.4
Other (loss) income	(0.3)	1.0	(0.1)	1.5
Interest expense	6.6	6.6	13.4	13.5
Income before income taxes	6.4	22.9	0.3	41.4
Income taxes	5.6	8.1	(0.4)	15.2
Income from continuing operations	0.8	14.8	0.7	26.2
Loss from discontinued operations, net of tax benefit of $0.1, $0.2, $0.1 and $0.1	(0.1)	(0.1)	(0.1)	0.0
Net income	0.7	14.7	0.6	26.2
Net (loss) income attributable to noncontrolling interests	(0.9)	0.3	(3.2)	0.8
Net income attributable to Koppers	$ 1.6	$ 14.4	$ 3.8	$ 25.4
Earnings (loss) per common share attributable to Koppers common shareholders:				
Basic –				
Continuing operations	$ 0.08	$ 0.70	$ 0.19	$ 1.23
Discontinued operations	0.00	(0.01)	0.00	0.00
Earnings per basic common share	$ 0.08	$ 0.69	$ 0.19	$ 1.23
Diluted –				
Continuing operations	$ 0.08	$ 0.70	$ 0.19	$ 1.21
Discontinued operations	0.00	(0.01)	0.00	0.00
Earnings per diluted common share	$ 0.08	$ 0.69	$ 0.19	$ 1.21
Comprehensive income	$ 3.2	$ 5.9	$ 5.8	$ 15.7
Comprehensive (loss) income attributable to noncontrolling interests	(0.9)	0.2	(3.6)	0.7
Comprehensive income attributable to Koppers	$ 4.1	$ 5.7	$ 9.4	$ 15.0
Weighted average shares outstanding *(in thousands):*				
Basic	20,475	20,727	20,430	20,697
Diluted	20,582	20,945	20,584	20,935
Dividends declared per common share	$ 0.25	$ 0.25	$ 0.50	$ 0.50

The accompanying notes are an integral part of these condensed consolidated financial statements.

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEET

(Dollars in millions, except per share amounts)	*June 30, 2014* *(Unaudited)*	*December 31, 2013*
Assets		
Cash and cash equivalents	$ 54.4	$ 82.2
Accounts receivable, net of allowance of $3.7 and $3.6	159.9	157.9
Income tax receivable	8.9	9.0
Inventories, net	189.2	168.8
Deferred tax assets	12.4	10.0
Loan to related party	9.5	9.5
Other current assets	28.6	35.7
Total current assets	462.9	473.1
Equity in non-consolidated investments	6.2	6.6
Property, plant and equipment, net	215.3	197.0
Goodwill	75.4	72.7
Deferred tax assets	14.7	9.3
Other assets	31.5	26.2
Total assets	$ 806.0	$ 784.9
Liabilities		
Accounts payable	$ 93.1	$ 107.6
Accrued liabilities	73.2	82.4
Dividends payable	5.1	5.1
Total current liabilities	171.4	195.1
Long-term debt	358.4	303.1
Accrued postretirement benefits	31.0	41.6
Deferred tax liabilities	15.9	14.7
Other long-term liabilities	40.7	40.6
Total liabilities	617.4	595.1
Commitments and contingent liabilities (Note 17)		
Equity		
Senior Convertible Preferred Stock, $0.01 par value per share; 10,000,000 shares authorized; no shares issued	0.0	0.0
Common Stock, $0.01 par value per share; 40,000,000 shares authorized; 21,938,260 and 21,722,492 shares issued	0.2	0.2
Additional paid-in capital	163.0	158.9
Retained earnings	64.7	71.3
Accumulated other comprehensive loss	(4.6)	(10.2)
Treasury stock, at cost, 1,443,248 and 1,390,494 shares	(52.4)	(50.4)
Total Koppers shareholders' equity	170.9	169.8
Noncontrolling interests	17.7	20.0
Total equity	188.6	189.8
Total liabilities and equity	$ 806.0	$ 784.9

The accompanying notes are an integral part of these condensed consolidated financial statements.

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six Months Ended June 30,	
	2014	2013
(Dollars in millions)	*(Unaudited)*	
Cash provided by (used in) operating activities:		
Net income	$ 0.6	$ 26.2
Adjustments to reconcile net cash provided by operating activities:		
Depreciation and amortization	18.6	14.6
Impairment charges	4.7	0.0
Deferred income taxes	(6.6)	1.8
Equity income (loss), net of dividends received	0.4	(0.4)
Change in other liabilities	(8.2)	(8.6)
Non-cash interest expense	0.8	0.8
Stock-based compensation	3.2	2.8
Other	0.6	(0.4)
(Increase) decrease in working capital:		
Accounts receivable	(0.3)	(6.1)
Inventories	(1.8)	5.7
Accounts payable	(15.8)	(0.2)
Accrued liabilities and other working capital	(4.9)	(16.2)
Net cash provided by (used in) operating activities	(8.7)	20.0
Cash provided by (used in) investing activities:		
Capital expenditures	(35.6)	(15.7)
Acquisitions	(29.6)	0.0
Net cash proceeds from divestitures and asset sales	0.0	0.9
Net cash provided by (used in) investing activities	(65.2)	(14.8)
Cash provided by (used in) financing activities:		
Borrowings of revolving credit	138.0	86.3
Repayments of revolving credit	(113.7)	(81.2)
Borrowings of long-term debt	31.2	0.0
Issuances of Common Stock	0.7	0.2
Proceeds from issuance of noncontrolling interest	1.4	2.3
Repurchases of Common Stock	(2.0)	(1.6)
Payment of deferred financing costs	0.0	(1.2)
Dividends paid	(10.2)	(10.2)
Net cash provided by (used in) financing activities	45.4	(5.4)
Effect of exchange rate changes on cash	0.7	(3.3)
Net decrease in cash and cash equivalents	(27.8)	(3.5)
Cash and cash equivalents at beginning of period	82.2	66.7
Cash and cash equivalents at end of period	$ 54.4	$ 63.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and related disclosures have been prepared in accordance with accounting principles generally accepted in the United States applicable to interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of Koppers Holdings Inc.'s and its subsidiaries' ("Koppers", "Koppers Holdings" or the "Company") financial position and interim results as of and for the periods presented have been included. All such adjustments are of a normal recurring nature unless disclosed otherwise. Because the Company's business is seasonal, results for interim periods are not necessarily indicative of those that may be expected for a full year. The Condensed Consolidated Balance Sheet for December 31, 2013 has been summarized from the audited balance sheet contained in the Annual Report on Form 10-K for the year ended December 31, 2013.

The financial information included herein should be read in conjunction with the Company's audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2013.

2. Dividends

On August 6, 2014, the Company's board of directors declared a quarterly dividend of 25 cents per common share, payable on October 6, 2014 to shareholders of record as of August 18, 2014.

3. Plant Closures and Discontinued Operations

On January 22, 2014, the Company announced its decision to discontinue coal tar distillation activities at its facility located in Uithoorn, the Netherlands. The decision was made as a result of a detailed analysis of its overall European manufacturing asset footprint in light of deteriorating market conditions in Europe and a variety of other factors, including regulatory requirements for significant capital expenditures at the facility. The Company is ramping down production at the Uithoorn facility over the first six months of 2014 as it transitions production to other Company-owned European facilities. The Company has discontinued distillation activities and expects to complete closure at the site by the end of 2015. For the six months ended June 30, 2014, the Company recorded closure costs of $10.8 million for severance and site demolition liabilities. In the fourth quarter of 2013, the Company recorded an asset impairment charge of $6.9 million related to the facility.

In December 2011, the Company ceased manufacturing operations at its carbon black facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The Company estimates that total future closure costs related to this facility will be approximately $0.2 million. The closure is expected to be completed during 2015. The facility is part of the Carbon Materials and Chemicals segment. Operating loss from this discontinued operation totaled $(0.1) million and $(0.3) million for the three months ended June 30, 2014 and 2013, respectively. Operating loss from this discontinued operation totaled $(0.1) million and $(0.1) million for the six months ended June 30, 2014 and 2013, respectively.

Details of the restructuring activities and related reserves are as follows:

(Dollars in millions)	*Severance and employee benefits*	*Environmental remediation*	*Site demolition*	*Other*	*Total*
Reserve at December 31, 2012	$ 0.2	$ 6.7	$ 6.3	$ 0.1	$13.3
Reversal of accrued charges	(0.1)	0.0	(0.3)	0.0	(0.4)
Cash paid	0.0	(0.1)	(2.0)	(0.1)	(2.2)
Currency translation	0.0	(1.0)	(0.7)	0.0	(1.7)
Reserve at December 31, 2013	$ 0.1	$ 5.6	$ 3.3	$ 0.0	$ 9.0
Accrual	10.0	0.0	0.8	0.0	10.8
Cash paid	(0.6)	0.0	(0.1)	0.0	(0.7)
Currency translation	0.0	0.3	0.2	0.0	0.5
Reserve at June 30, 2014	$ 9.5	$ 5.9	$ 4.2	$ 0.0	$19.6

4. Business Acquisitions

Koppers Ashcroft – On January 20, 2014, the Company acquired the crosstie treating business and related manufacturing facility of Tolko Industries Ltd. located in Ashcroft, British Columbia, Canada. The purchase price was $29.6 million, subject to post-closing adjustments, and was funded primarily by available cash. The preliminary allocation of purchase price to acquired assets primarily consisted of inventory totaling $16.0 million, plant and equipment totaling $3.6 million, intangible assets consisting primarily of customer relationships totaling $7.4 million and Canadian tax deductible goodwill of $1.6 million. The goodwill is allocated to the Railroad and Utility Products and Services segment and the customer contracts will be amortized over a period of 12 years.

Osmose agreement – On April 13, 2014, Koppers Inc. signed an agreement to acquire the wood preservation and railroad services businesses of Osmose Holdings, Inc. (Osmose). Osmose's wood preservation business develops, manufactures and sells wood preservation chemicals and wood treatment technologies for infrastructure, residential and commercial construction, and agricultural markets. The wood preservation business has operations and sales in North America, South America, Europe, and Australasia. Osmose's railroad services business is a provider of railroad infrastructure services, including bridge inspection, engineering, maintenance and repair, and construction services for the Class I and shortline railroads in North America. Revenues for the acquired businesses in 2013 were approximately $390 million.

The base purchase price is $460 million and is subject to certain closing adjustments. The base purchase price includes the value of an anticipated 338(h)(10) tax election that is expected to provide cash tax savings over the next 15 years. Koppers plans to finance the purchase through new and existing bank debt, including a new term loan and an increase to the Company's existing revolving credit facility. The parties continue working to satisfy the closing conditions to the transaction and, subject to the closing conditions being satisfied, the parties expect the transaction to close in the third quarter of 2014.

5. Fair Value Measurements

Carrying amounts and the related estimated fair values of the Company's financial instruments as of June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014		*December 31, 2013*	
	Fair Value	*Carrying Value*	*Fair Value*	*Carrying Value*
(Dollars in millions)				
Financial assets:				
Cash and cash equivalents, including restricted cash	$ 54.4	$ 54.4	$ 82.2	$ 82.2
Investments and other assets[(a)]	1.4	1.4	1.4	1.4
Financial liabilities:				
Long-term debt (including current portion)	$ 381.3	$358.4	$ 331.2	$303.1

(a) Excludes equity method investments.

Cash and cash equivalents – The carrying amount approximates fair value because of the short maturity of those instruments.

Investments and other assets – Represents the broker-quoted cash surrender value on universal life insurance policies. This asset is classified as Level 2 in the valuation hierarchy and is measured from values received from financial institutions.

Debt – The fair value of the Company's long-term debt is estimated based on the market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities (Level 2). The fair values of the revolving credit facility approximate carrying value due to the variable rate nature of these instruments.

6. Comprehensive Income and Equity

Total comprehensive income for the three and six months ended June 30, 2014 and 2013 is summarized in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
(Dollars in millions)				
Net income	$ 0.7	$ 14.7	$ 0.6	$ 26.2
Other comprehensive income (loss):				
Change in currency translation adjustment	0.9	(2.6)	0.7	(6.1)
Change in foreign currency transactions of long-term subsidiary investments	1.0	(7.5)	3.4	(6.8)
Change in unrecognized pension net loss, net of tax expense of $0.2, $0.9, $0.5 and $1.5	0.6	1.3	1.2	2.3
Change in unrecognized prior service cost, net of tax expense of $0.0, $0.0, $0.0 and $0.1	0.0	0.0	(0.1)	0.1
Total comprehensive income	3.2	5.9	5.8	15.7
Less: comprehensive (loss) income attributable to noncontrolling interests	(0.9)	0.2	(3.6)	0.7
Comprehensive income attributable to Koppers	$ 4.1	$ 5.7	$ 9.4	$ 15.0

Amounts reclassified from accumulated other comprehensive income to net income consist of amounts shown for changes in unrecognized pension net loss, unrecognized prior service cost and unrecognized transition asset. These components of accumulated other comprehensive income are included in the computation of net periodic pension cost as disclosed in Note 13 – Pensions and Postretirement Benefit Plans.

The following tables present the change in equity for the six months ended June 30, 2014 and 2013, respectively:

(Dollars in millions)	*Total Koppers Shareholders' Equity*	*Noncontrolling Interests*	*Total Equity*
Balance at December 31, 2013	$ 169.8	$ 20.0	$ 189.8
Net income (loss)	3.8	(3.2)	0.6
Issuance of common stock	0.7	0.0	0.7
Employee stock plans	3.4	0.0	3.4
Other comprehensive income (loss)	5.6	(0.5)	5.1
Dividends	(10.4)	0.0	(10.4)
Investment in noncontrolling interests	0.0	1.4	1.4
Repurchases of common stock	(2.0)	0.0	(2.0)
Balance at June 30, 2014	$ 170.9	$ 17.7	$ 188.6

(Dollars in millions)	*Total Koppers Shareholders' Equity*	*Noncontrolling Interests*	*Total Equity*
Balance at December 31, 2012	$ 150.6	$ 17.5	$ 168.1
Net income	25.4	0.8	26.2
Issuance of common stock	0.2	0.0	0.2
Employee stock plans	3.0	0.0	3.0
Other comprehensive loss	(10.4)	(0.1)	(10.5)
Dividends	(10.6)	0.0	(10.6)
Investment in noncontrolling interests	0.0	2.3	2.3
Repurchases of common stock	(1.6)	0.0	(1.6)
Balance at June 30, 2013	$ 156.6	$ 20.5	$ 177.1

7. Earnings per Common Share

The computation of basic earnings per common share for the periods presented is based upon the weighted average number of common shares outstanding during the periods. The computation of diluted earnings per common share includes the effect of non-vested nonqualified stock options and restricted stock units assuming such options and stock units were outstanding common shares at the beginning of the period. The effect of antidilutive securities is excluded from the computation of diluted earnings per common share.

The following table sets forth the computation of basic and diluted earnings per common share:

	Three Months Ended June 30,		*Six Months Ended June 30,*	
	2014	*2013*	*2014*	*2013*
(Dollars in millions, except share amounts, in thousands, and per share amounts)				
Net income attributable to Koppers	$ 1.6	$ 14.4	$ 3.8	$ 25.4
Less: loss from discontinued operations	(0.1)	(0.1)	(0.1)	0.0
Income from continuing operations attributable to Koppers	$ 1.7	$ 14.5	$ 3.9	$ 25.4
Weighted average common shares outstanding:				
Basic	20,475	20,727	20,430	20,697
Effect of dilutive securities	107	218	154	238
Diluted	20,582	20,945	20,584	20,935
Earnings per common share – continuing operations:				
Basic earnings per common share	$ 0.08	$ 0.70	$ 0.19	$ 1.23
Diluted earnings per common share	0.08	0.70	0.19	1.21
Other data:				
Antidilutive securities excluded from computation of diluted earnings per common share	284	254	258	227

8. Stock-based Compensation

The amended and restated 2005 Long-Term Incentive Plan (the “LTIP”) provides for the grant to eligible persons of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance awards, dividend equivalents and other stock-based awards, which are collectively referred to as the awards.

Under the LTIP, the board of directors granted restricted stock units and performance stock units to certain employee participants (collectively, the “stock units”). The restricted stock units vest on the third anniversary of the grant date or ratably over three years, assuming continued employment by the participant. Performance stock units granted in 2011 have a two-year performance objective. Performance stock units granted after 2011 have three-year performance objectives. Regardless of whether the measurement period for the applicable performance objective is two or three years, all performance stock units have a three-year period for vesting (if the applicable performance objective is obtained). The applicable performance objective is based upon a multi-year cumulative value creation calculation commencing on the first day of each grant year. The number of performance stock units granted represents the target award and participants have the ability to earn between zero and 150 percent of the target award based upon actual performance. If minimum performance criteria are not achieved, no performance stock units will vest.

Dividends declared on the Company’s common stock during the restriction period of the stock units are credited at equivalent value as additional stock units and become payable as additional common shares upon vesting. In the event of termination of employment, other than retirement, death or disability, any non-vested stock units are forfeited, including additional stock units credited from dividends. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the stock units over the service period will result for most participants. There are special vesting provisions for the stock units related to a change in control.

Restricted stock units that vest immediately or have one-year vesting periods are also issued under the LTIP to members of the board of directors in connection with annual director compensation and, from time to time, are issued to members of management in connection with employee compensation.

Compensation expense for non-vested stock units is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock units is the market price of the underlying common stock on the date of grant.

The following table shows a summary of the performance stock units as of June 30, 2014:

Performance Period	*Minimum Shares*	*Target Shares*	*Maximum Shares*
2012 – 2014	0	92,847	139,271
2013 – 2015	0	90,661	135,992
2014 – 2016	0	108,506	162,759

The following table shows a summary of the status and activity of non-vested stock awards for the six months ended June 30, 2014:

	Restricted Stock Units	*Performance Stock Units*	*Total Stock Units*	*Weighted Average Grant Date Fair Value per Unit*
Non-vested at December 31, 2013	148,836	319,984	468,820	$ 40.30
Granted	95,067	108,506	203,573	$ 37.90
Credited from dividends	3,813	8,425	12,238	$ 38.52
Vested	(57,102)	(132,317)	(189,419)	$ 40.18
Forfeited	(2,491)	(6,205)	(8,696)	$ 40.25
Non-vested at June 30, 2014	188,123	298,393	486,516	$ 39.29

Stock options to most executive officers vest and become exercisable upon the completion of a three-year service period commencing on the grant date. The stock options have a term of 10 years. In the event of termination of employment, other than retirement, death or disability, any non-vested options are forfeited for most participants. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the options over the service period will result for most participants. There are special vesting provisions for the stock options related to a change in control.

In accordance with accounting standards, compensation expense for non-vested stock options is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock options on the date of grant is calculated using the Black-Scholes-Merton model and the assumptions listed below:

	February 2014 Grant	*February 2013 Grant*	*February 2012 Grant*
Grant date price per share of option award	$ 37.93	$ 42.76	$ 38.21
Expected dividend yield per share	2.75%	2.75%	2.75%
Expected life in years	6.5	6.5	6.5
Expected volatility	52.14%	53.77%	55.06%
Risk-free interest rate	1.98%	1.29%	1.34%
Grant date fair value per share of option awards	$ 15.26	$ 17.28	$ 15.82

The dividend yield is based on the Company's current and prospective dividend rate which calculates a continuous dividend yield based upon the market price of the underlying common stock. The expected life in years is based on the simplified method permitted under Securities and Exchange Commission Staff Accounting Bulletin No. 14d.2 which calculates the average of the weighted vesting term and the contractual term of the option. This method was selected due to the lack of historical exercise data with respect to the Company. Expected volatility is based on the historical volatility of the Company's common stock and the historical volatility of certain other similar public companies. The risk-free interest rate is based on U.S. Treasury bill rates for the expected life of the option.

The following table shows a summary of the status and activity of stock options for the six months ended June 30, 2014:

	Options	Weighted Average Exercise Price per Option	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2013	421,080	$ 35.96		
Granted	106,658	$ 37.93		
Exercised	(26,349)	$ 25.51		
Forfeited	(8,747)	$ 40.42		
Outstanding at June 30, 2014	492,642	$ 36.86	7.14	$ 1.3
Exercisable at June 30, 2014	208,882	$ 33.21	4.97	$ 1.3

Total stock-based compensation expense recognized for the three and six months ended June 30, 2014 and 2013 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	2014	2013	2014	2013
Stock-based compensation expense recognized:				
Selling, general and administrative expenses	$ 2.0	$ 1.4	$ 3.2	$ 2.8
Less related income tax benefit	0.8	0.5	1.3	1.1
	$ 1.2	$ 0.9	$ 1.9	$ 1.7

As of June 30, 2014, total future compensation expense related to non-vested stock-based compensation arrangements totaled $9.9 million and the weighted-average period over which this cost is expected to be recognized is approximately 24 months.

9. Segment Information

The Company has two reportable segments: Carbon Materials and Chemicals and Railroad and Utility Products and Services. The Company's reportable segments contain business units that offer different products. The reportable segments are each managed separately because they manufacture and distribute distinct products with different production processes. The business units have been aggregated into two reportable segments since management believes the long-term financial performance of these business units is affected by similar economic conditions.

The Company's Carbon Materials and Chemicals segment is primarily a manufacturer of carbon pitch, naphthalene, phthalic anhydride, creosote and carbon black feedstock. Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Naphthalene is used for the production of phthalic anhydride and as a surfactant in the production of concrete. Phthalic anhydride is used in the production of plasticizers, polyester resins and alkyd paints. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black.

The Company's Railroad and Utility Products and Services segment sells treated and untreated wood products, manufactured products and services primarily to the railroad and public utility markets. Railroad products include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings and the manufacture of rail joint bars. Utility products include transmission and distribution poles and pilings.

The Company evaluates performance and determines resource allocations based on a number of factors, the primary measure being operating profit or loss from operations. Operating profit does not include equity in earnings of affiliates, other income, interest expense or income taxes. Operating profit also excludes the operating costs of Koppers Holdings Inc., the parent company of Koppers Inc. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intersegment transactions are eliminated in consolidation.

The following table sets forth certain sales and operating data, net of all intersegment transactions, for the Company's segments for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
(Dollars in millions)				
Revenues from external customers:				
Carbon Materials and Chemicals	$ 208.6	$ 220.3	$ 411.2	$ 450.8
Railroad and Utility Products and Services	148.2	150.6	277.0	290.5
Total	$ 356.8	$ 370.9	$ 688.2	$ 741.3
Intersegment revenues:				
Carbon Materials and Chemicals	$ 20.1	$ 25.7	$ 41.3	$ 47.6
Depreciation and amortization expense[(a)]:				
Carbon Materials and Chemicals	$ 6.0	$ 4.5	$ 12.1	$ 9.0
Railroad and Utility Products and Services	3.7	2.8	6.5	5.6
Total	$ 9.7	$ 7.3	$ 18.6	$ 14.6
Operating profit:				
Carbon Materials and Chemicals[(b)]	$ 3.8	$ 12.5	$ (5.0)	$ 25.6
Railroad and Utility Products and Services	12.8	16.5	23.9	28.8
Corporate[(c)]	(3.3)	(0.5)	(5.1)	(1.0)
Total	$ 13.3	$ 28.5	$ 13.8	$ 53.4

(a) Excludes impairment charges of $4.7 million in 2014 for Carbon Materials and Chemicals.
(b) Includes plant closure costs of $10.8 million in 2014 for the Uithoorn, the Netherlands facility and impairment charges of $4.7 million in 2014 for the Tangshan, China facility.
(c) Operating loss for Corporate includes general and administrative costs for Koppers Holdings Inc., the parent company of Koppers Inc.

The following table sets forth certain tangible and intangible assets allocated to each of the Company's segments as of the dates indicated:

	June 30, 2014	December 31, 2013
(Dollars in millions)		
Segment assets:		
Carbon Materials and Chemicals	$525.1	$ 535.5
Railroad and Utility Products and Services	234.7	179.3
All other	46.2	70.1
Total	$806.0	$ 784.9
Goodwill:		
Carbon Materials and Chemicals	$ 69.0	$ 68.0
Railroad and Utility Products and Services	6.4	4.7
Total	$ 75.4	$ 72.7

10. Income Taxes

Effective Tax Rate

The income tax provision for interim periods is based on an estimated annual effective tax rate, which requires management to make its best estimate of annual pretax income by domestic and foreign jurisdictions and other items that impact taxable income. Items that are not related to annual pretax ordinary income are recognized entirely in the interim period as a discrete item.

Income taxes as a percentage of pretax income before discrete items was 65.0 percent and 41.5 percent for the three months ended June 30, 2014 and 2013, respectively. Discrete items included in income taxes for the three months ended June 30, 2014 were not material. Discrete items included in income taxes for the three months ended June 30, 2013 consisted of a net tax benefit of $1.4 million primarily due to the fact that the Company was no longer subject to potential income tax examinations for certain years.

The effective tax rate for the second quarter of 2014 differs from the U.S. federal statutory rate of 35.0 percent due to taxes on foreign earnings (+28.2 percent), state taxes (+2.0 percent), uncertain tax positions (+1.2 percent) and nondeductible expenses (+1.0 percent) partially offset by the domestic manufacturing deduction (-2.4 percent). With respect to the second quarter of 2013, the effective tax rate differs from the U.S. federal statutory rate of 35.0 percent due to taxes on foreign earnings (+4.8 percent), state taxes (+1.9 percent), uncertain tax positions (+0.7 percent) and nondeductible expenses (+0.5 percent) partially offset by the domestic manufacturing deduction (-1.4 percent).

Income taxes as a percentage of pretax income before discrete items was 64.3 percent and 40.2 percent for the six months ended June 30, 2014 and 2013, respectively. Discrete items included in income taxes for the six months ended June 30, 2014 were a net tax benefit of $5.7 million which was primarily related to management’s decision that a deferred tax liability for certain undistributed earnings of its European subsidiaries was no longer necessary as these earnings are permanently reinvested. Discrete items included in income taxes for the six months ended June 30, 2013 consisted of a net tax benefit of $1.4 million primarily due to the fact that the Company was no longer subject to potential income tax examinations for certain years.

The effective tax rate for the first six months of 2014 differs from the U.S. federal statutory rate of 35.0 percent primarily due to the taxes on foreign earnings (+27.6 percent), state taxes (+1.8 percent), uncertain tax positions (+1.2 percent) and nondeductible expenses (+1.0 percent) partially offset by the domestic manufacturing deduction (-2.3 percent). With respect to the first six months of 2013, the effective tax rate differs from the U.S. federal statutory rate of 35.0 percent primarily due to the taxes on foreign earnings (+3.7 percent), state taxes (+1.8 percent), uncertain tax positions (+0.7 percent) and nondeductible expenses (+0.6 percent) partially offset by the domestic manufacturing deduction (-1.6 percent).

During the year, management regularly updates estimates based on changes in various factors such as product prices, shipments, product mix, operating and administrative costs, earnings mix by taxable jurisdiction, repatriation of foreign earnings, uncertain tax positions and the ability to claim tax credits such as the non-conventional fuel tax credit. To the extent that actual results vary from the estimates at the end of the second quarter, the actual tax provision recognized for 2014 could be materially different from the forecasted annual tax provision as of the end of the second quarter.

Uncertain Tax Positions

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, individual U.S. state jurisdictions and non-U.S. jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2008.

As of June 30, 2014 and December 31, 2013, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately $4.7 million and $4.5 million, respectively. Unrecognized tax benefits totaled $6.1 million and $6.1 million as of June 30, 2014 and December 31, 2013, respectively. The Company recognizes interest expense and any related penalties from uncertain tax positions in income tax expense. As of June 30, 2014 and December 31, 2013 the Company had accrued approximately $1.4 million and $1.2 million for interest and penalties, respectively.

11. Inventories

Net inventories as of June 30, 2014 and December 31, 2013 are summarized in the table below:

(Dollars in millions)	*June 30, 2014*	*December 31, 2013*
Raw materials	$123.8	$ 105.4
Work in process	16.8	19.2
Finished goods	101.6	94.8
	242.2	219.4
Less revaluation to LIFO	53.0	50.6
Net	$189.2	$ 168.8

12. Property, Plant and Equipment

Property, plant and equipment as of June 30, 2014 and December 31, 2013 are summarized in the table below:

(Dollars in millions)	*June 30, 2014*	*December 31, 2013*
Land	$ 9.6	$ 9.1
Buildings	31.5	30.6
Machinery and equipment	629.4	608.1
	670.5	647.8
Less accumulated depreciation	455.2	450.8
Net	$215.3	$ 197.0

Impairment – Impairment charges for the six months ended June 30, 2014 were $4.7 million ($2.8 million, net of non-controlling interest) and were related to the Carbon Material and Chemicals' plant in Tangshan, China. This impairment charge was calculated using a probability-weighted discounted cash flow model.

The impairment of the Company's 60-percent owned plant in Tangshan, China is due to the forced closure of a neighboring metallurgical coke facility. In October 2013, the Company was informed by the Tangshan Municipal People's Government ("Tangshan Government") of its intention to close the two coke batteries owned and operated by the Tangshan Iron and Steel Group Co., Ltd ("TISCO") in Tangshan, China. The Tangshan Government has ordered the closure of these coke batteries in an effort to improve the air quality in the Tangshan area. One TISCO coke battery has closed and the Company expects that the remaining TISCO coke battery will cease production by the end of 2014.

The Company's 60-percent owned subsidiary, Koppers (China) Carbon & Chemical Company Limited ("KCCC") is located near to TISCO's coke facility and relies on its operations for a significant portion of raw material supply, utilities and other shared services. Closure of the TISCO coke batteries directly impacts KCCC's ability to operate its coal tar distillation plant and the Company has determined that it is unable to continue coal tar distillation activities at the site once TISCO ceases production activities at the adjacent facility. The Company is continuing to evaluate its options, which include transitioning to a new location or entering into other strategic partnerships with other unrelated coal tar distillation companies.

The closure of KCCC's coal tar distillation facility would have a material adverse effect on the Company's business, financial condition, cash flow and results of operations. For the most recent year ended December 31, 2013, KCCC contributed operating profit of approximately $3.3 million after deducting profit attributable to non-controlling interests and excluding asset impairment charges. As of June 30, 2014, the remaining net book value of fixed assets subject to impairment was $1.1 million. This amount will be reflected in depreciation expense on an accelerated basis reflecting management's estimate of the remaining useful life of the assets.

The Company believes it would be able to continue fulfilling current domestic Chinese customers and its export commitments with capacity at Koppers (Jiangsu) Carbon Chemical Company Limited, which commenced production in July

2014, its other 30-percent owned Chinese company and other commercial relationships in China. However, the Company's margin on export sales may be negatively affected as a result of these actions.

13. Pensions and Postretirement Benefit Plans

The Company and its subsidiaries maintain a number of defined benefit and defined contribution plans to provide retirement benefits for employees in the U.S., as well as employees outside the U.S. These plans are maintained and contributions are made in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"), local statutory law or as determined by the board of directors. The defined benefit pension plans generally provide benefits based upon years of service and compensation. Pension plans are funded except for three domestic non-qualified defined benefit pension plans for certain key executives.

All qualified defined benefit pension plans for salaried employees have been closed to new participants and a number of plans, including most plans for hourly employees, have been frozen or are scheduled to be frozen in the next two years. Accordingly, these pension plans no longer accrue additional years of service or recognize future increases in compensation for benefit purposes. In addition, a number of pension plans are subject to a "soft" freeze which precludes new employees from entering the defined benefit pension plans.

The defined contribution plans generally provide retirement assets to employee participants based upon employer and employee contributions to the participant's individual investment account. The Company also provides retiree medical insurance coverage to certain U.S. employees and a life insurance benefit to most U.S. employees. For salaried employees, the retiree medical and retiree insurance plans have been closed to new participants.

The following table provides the components of net periodic benefit cost for the pension plans and other benefit plans for the three and six months ended June 30, 2014 and 2013:

	Three Months Ended June 30,		*Six Months Ended June 30,*	
	2014	*2013*	*2014*	*2013*
(Dollars in millions)				
Service cost	$ 0.6	$ 0.8	$ 1.2	$ 1.7
Interest cost	3.1	2.6	6.0	5.3
Expected return on plan assets	(3.5)	(3.1)	(7.0)	(6.3)
Amortization of prior service cost	(0.1)	0.1	(0.1)	0.1
Amortization of net loss	1.0	1.9	2.0	3.8
Net periodic benefit cost	$ 1.1	$ 2.3	$ 2.1	$ 4.6
Defined contribution plan expense	$ 1.5	$ 1.4	$ 3.2	$ 2.9
Other postretirement benefit plans	0.1	0.2	0.2	0.3
Multi-employer pension plan expense	0.1	0.1	0.2	0.2

14. Debt

Debt at June 30, 2014 and December 31, 2013 was as follows:

	Weighted Average Interest Rate	*Maturity*	*June 30, 2014*	*December 31, 2013*
(Dollars in millions)				
Revolving Credit Facility	1.91%	2018	$ 24.3	$ 0.0
Construction loans	6.24%	2018	$ 37.3	$ 6.6
Senior Notes	7 7/8%	2019	296.8	296.5
Total debt			358.4	303.1
Less short term debt and current maturities of long-term debt			0.0	0.0
Long-term debt			$358.4	$ 303.1

Revolving Credit Facility

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $350.0 million at variable rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends, investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios. Commitment fees totaled $0.5 million for both of the six months ended June 30, 2014 and June 30, 2013 and are charged to interest expense.

As of June 30, 2014, the Company had $284.4 million of unused revolving credit availability for working capital purposes after restrictions from certain letter of credit commitments and other covenants. As of June 30, 2014, $41.1 million of commitments were utilized by outstanding letters of credit.

Construction Loans

On November 18, 2013, the Company's 75-percent owned subsidiary, Koppers (Jiangsu) Carbon Chemical Company Limited ("KJCC") entered into two committed loan facility agreements for a combined commitment of RMB 265 million or approximately $44 million. The third party bank provided facility has a commitment amount of RMB 198.8 million and the other committed facility of RMB 66.2 million is provided by the 25-percent non-controlling shareholder in KJCC. Borrowings under the third party bank facility are secured by a letter of credit issued by a bank under Koppers Inc. revolving credit facility. The committed facilities were used to finance the costs related to the construction of the coal tar distillation plant in Pizhou, Jiangsu province in China. The facilities are variable rate and have certain financial covenants that monitor minimum net worth and leverage. KJCC will repay the loans in six installments every six months starting in May 2016 with a final repayment on November 18, 2018, the maturity date of the loans.

Senior Notes

The Koppers Inc. 7 7/8 percent Senior Notes due 2019 (the "Senior Notes") were issued on December 1, 2009 at an offering price of 98.311 percent of face value, or $294.9 million and have a principal amount at maturity of $300.0 million. The Senior Notes have an effective interest rate yield of 8 1/8 percent per annum. The Senior Notes are unsecured senior obligations that are fully and unconditionally guaranteed by Koppers Holdings and certain of Koppers Inc.'s wholly-owned domestic subsidiaries. The Senior Notes are structurally subordinated to indebtedness under the revolving credit facility.

Interest on the Senior Notes is payable semiannually on December 1 and June 1 each year. On or after December 1, 2014, the Company is entitled to redeem all or a portion of the Senior Notes at a redemption price of 103.938 percent of principal value, declining annually in ratable amounts until the redemption price is equivalent to the principal value on December 1, 2017.

The indenture governing the Senior Notes includes customary covenants that restrict, among other things, the ability of Koppers Inc. and its restricted subsidiaries to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets of Koppers Inc. or its subsidiaries or enter into various transactions with affiliates.

15. Asset Retirement Obligations

The Company recognizes asset retirement obligations for the removal and disposal of residues; dismantling of certain tanks required by governmental authorities; cleaning and dismantling costs for owned rail cars; and cleaning costs for leased rail cars and barges. The following table reflects changes in the carrying values of asset retirement obligations:

(Dollars in millions)	*June 30, 2014*	*December 31, 2013*
Balance at beginning of year	$ 23.2	$ 21.5
Accretion expense	1.1	1.2
Revision in estimated cash flows, net	1.8	6.7
Cash expenditures	(1.8)	(5.6)
Currency translation	0.2	(0.6)
Balance at end of period	$ 24.5	$ 23.2

16. Deferred Revenue from Extended Product Warranty Liabilities

The Company defers revenues associated with extended product warranty liabilities based on historical loss experience and sales of extended warranties on certain products. The following table reflects changes in the carrying values of deferred revenue:

(Dollars in millions)	*June 30, 2014*	*December 31, 2013*
Balance at beginning of year	$ 3.2	$ 3.9
Revenue earned	(0.3)	(0.7)
Balance at end of period	$ 2.9	$ 3.2

17. Commitments and Contingent Liabilities

The Company and its subsidiaries are involved in litigation and various proceedings relating to environmental laws and regulations and toxic tort, product liability and other matters. Certain of these matters are discussed below. The ultimate resolution of these contingencies is subject to significant uncertainty and should the Company or its subsidiaries fail to prevail in any of these legal matters or should several of these legal matters be resolved against the Company or its subsidiaries in the same reporting period, these legal matters could, individually or in the aggregate, be material to the consolidated financial statements.

Legal Proceedings

Coal Tar Pitch Cases*.* Koppers Inc., along with other defendants, is currently a defendant in lawsuits filed in three states in which the plaintiffs claim they suffered a variety of illnesses (including cancer) as a result of exposure to coal tar pitch sold by the defendants. There are approximately 113 plaintiffs in 62 cases pending as of June 30, 2014 as compared to 111 plaintiffs in 61 cases pending as of December 31, 2013. As of June 30, 2014, there are a total of 58 cases pending in state court in Pennsylvania, three in Arkansas, and one case pending in state court in Tennessee.

The plaintiffs in all 62 pending cases seek to recover compensatory damages, while plaintiffs in 57 cases also seek to recover punitive damages. The plaintiffs in the 58 cases filed in Pennsylvania state court seek unspecified damages in excess of the court's minimum jurisdictional limit. The plaintiffs in the Arkansas state court cases each seek compensatory damages in excess of $50,000 in addition to punitive damages. The plaintiffs in the Tennessee state court case each seek damages of $15.0 million. The other defendants in these lawsuits vary from case to case and include companies such as Beazer East, Inc., United States Steel Corporation, Honeywell International Inc., Vertellus Specialties Inc., Dow Chemical Company, UCAR Carbon Company, Inc., Exxon Mobil Corporation, SGL Carbon Corporation and Alcoa, Inc. Discovery is proceeding in these cases. No trial dates have been set in any of these cases.

The Company has not provided a reserve for these lawsuits because, at this time, the Company cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of these cases cannot be reasonably determined. Although Koppers Inc. is vigorously defending these cases, an unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Gainesville. Koppers Inc. operated a utility pole treatment plant in Gainesville from December 29, 1988 until its closure in 2009. The property upon which the utility pole treatment plant was located was sold by Koppers Inc. to Beazer East, Inc. in 2010.

In November 2010, a class action complaint was filed in the Circuit Court of the Eighth Judicial Circuit located in Alachua County, Florida by residential real property owners located in a neighborhood west of and immediately adjacent to the former utility pole treatment plant in Gainesville. The complaint named Koppers Holdings Inc., Koppers Inc., Beazer East and several other parties as defendants. In a second amended complaint, plaintiffs define the putative class as consisting of all persons who are present record owners of residential real properties located in an area within a two-mile radius of the former Gainesville wood treating plant. Plaintiffs further allege that chemicals and contaminants from the Gainesville plant have contaminated real properties within the two mile geographical area, have caused property damage (diminution in value) and have placed residents and owners of the putative class properties at an elevated risk of exposure to and injury from the chemicals at issue. The second amended complaint seeks damages for diminution in property values, the establishment of a medical monitoring fund and punitive damages.

The case was removed to the United States District Court for the Northern District of Florida in December 2010. The district court dismissed Koppers Holdings Inc. in September 2013 on the ground that there was no personal jurisdiction. Plaintiffs' appeal of the dismissal of Koppers Holdings Inc. was dismissed in December 2013. In May 2014, the Court entered an amended scheduling order for class certification, which sets a deadline of November 21, 2014 for completion of class discovery. Discovery on the merits is stayed until further order of the court.

The Company has not provided a reserve for this matter because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of this case cannot be reasonably determined. Although the Company is vigorously defending this case, an unfavorable resolution of this matter may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Other Matters. In July 2012, Koppers Netherlands B.V.'s ("Koppers Netherlands") coal tar distillation plant suffered a series of electrical disruptions which significantly affected plant operations and prevented the resumption of plant operations for a period of approximately three weeks. As a result of the suspension of operations, the coal tar distillation plant was unable to provide steam and other services to an adjacent unaffiliated plant. This unaffiliated plant and Koppers Netherlands' plant share certain services and plant infrastructure under a cost sharing agreement. In September 2012, Koppers Netherlands received a business interruption claim from the owner of the unaffiliated plant that included an initial claim for lost profits of approximately $1.7 million. In July 2013 the owner of the unaffiliated plant filed a request for arbitration with the Netherlands Arbitration Institute seeking damages for the business interruption claim plus interest, costs and legal fees. In its statement of claim to the arbitration board, the owner of the unaffiliated facility has claimed damages of at least $3.1 million for these costs. The arbitration hearing was held in June 2014 and a decision is not expected until the fall of 2014.

The Company has not provided a reserve for the claimed lost profits because, at this time, it cannot reasonably determine the probability of such loss, and the amount of such loss, if any, cannot be reasonably estimated. The Company does not currently believe that resolution of this matter will involve a loss contingency that would be material to the financial statements.

Environmental and Other Litigation Matters

The Company and its subsidiaries are subject to federal, state, local and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety including, among other things, the cleanup of contaminated sites, the treatment, storage and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air and various health and safety matters. The Company's subsidiaries expect to incur substantial costs for ongoing compliance with such laws and regulations. The Company's subsidiaries may also face governmental or third-party claims, or otherwise incur costs, relating to cleanup of, or for injuries resulting from, contamination at sites associated with past and present operations. The Company accrues for environmental liabilities when a determination can be made that a liability is probable and reasonably estimable.

Environmental and Other Liabilities Retained or Assumed by Others. The Company's subsidiaries have agreements with former owners of certain of their operating locations under which the former owners retained, assumed and/or agreed to indemnify such subsidiaries against certain environmental and other liabilities. The most significant of these agreements was entered into at Koppers Inc.'s formation on December 29, 1988 (the "Acquisition"). Under the related asset purchase agreement between Koppers Inc. and Beazer East, subject to certain limitations, Beazer East retained the responsibility for and agreed to indemnify Koppers Inc. against certain liabilities, damages, losses and costs, including, with certain limited exceptions, liabilities under and costs to comply with environmental laws to the extent attributable to acts or omissions occurring prior to the Acquisition and liabilities related to products sold by Beazer East prior to the Acquisition (the "Indemnity"). Beazer Limited, the parent company of Beazer East, unconditionally guaranteed Beazer East's performance of the Indemnity pursuant to a guarantee (the "Guarantee"). In 1998, the parent company of Beazer East purchased an insurance policy under which the funding and risk of certain environmental and other liabilities relating to the former Koppers Company, Inc. operations of Beazer East (which includes locations purchased from Beazer East by Koppers Inc.) are underwritten by Centre Solutions (a member of the Zurich Group) and Swiss Re. Beazer East is a wholly-owned, indirect subsidiary of Heidelberg Cement AG.

The Indemnity provides different mechanisms, subject to certain limitations, by which Beazer East is obligated to indemnify Koppers Inc. with regard to certain environmental, product and other liabilities and imposes certain conditions on Koppers Inc. before receiving such indemnification, including, in some cases, certain limitations regarding the time period as to which claims for indemnification can be brought. In July 2004, Koppers Inc. and Beazer East agreed to amend the environmental indemnification provisions of the December 29, 1988 asset purchase agreement to extend the indemnification period for pre-closing environmental liabilities through July 2019. As consideration for the amendment, Koppers Inc. paid Beazer East a total of $7.0 million and agreed to share toxic tort litigation defense costs arising from any sites acquired from Beazer East. The July 2004 amendment did not change the provisions of the Indemnity with respect to indemnification for non-environmental claims, such as product liability claims, which claims may continue to be asserted after July 2019.

Qualified expenditures under the Indemnity are not subject to a monetary limit. Qualified expenditures under the Indemnity include (i) environmental cleanup liabilities required by third parties, such as investigation, remediation and closure costs, relating to pre-December 29, 1988 or ("Pre-Closing") acts or omissions of Beazer East or its predecessors; (ii) environmental claims by third parties for personal injuries, property damages and natural resources damages relating to Pre-Closing acts or omissions of Beazer East or its predecessors; (iii) punitive damages for the acts or omissions of Beazer East and its predecessors without regard to the date of the alleged conduct and (iv) product liability claims for products sold by Beazer East or its predecessors without regard to the date of the alleged conduct. If the third party claims described in sections (i) and (ii) above are not made by July 2019, Beazer East will not be required to pay the costs arising from such claims under the Indemnity. However, with respect to any such claims which are made by July 2019, Beazer East will continue to be responsible for such claims under the Indemnity beyond July 2019. The Indemnity provides for the resolution of issues between Koppers Inc. and Beazer East by an arbitrator on an expedited basis upon the request of either party. The arbitrator could be asked, among other things, to make a determination regarding the allocation of environmental responsibilities between Koppers Inc. and Beazer East. Arbitration decisions under the Indemnity are final and binding on the parties.

Contamination has been identified at most manufacturing and other sites of the Company's subsidiaries. One site currently owned and operated by Koppers Inc. in the United States is listed on the National Priorities List promulgated under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). Currently, at the properties acquired from Beazer East (which include all of the National Priorities List sites and all but one of the sites permitted under the Resource Conservation and Recovery Act ("RCRA")), a significant portion of all investigative, cleanup and closure activities are being conducted and paid for by Beazer East pursuant to the terms of the Indemnity. In addition, other of Koppers Inc.'s sites are or have been operated under RCRA and various other environmental permits, and remedial and closure activities are being conducted at some of these sites.

To date, the parties that retained, assumed and/or agreed to indemnify the Company against the liabilities referred to above, including Beazer East, have performed their obligations in all material respects. The Company believes that, for the last three years ended December 31, 2013, amounts paid by Beazer East as a result of its environmental remediation obligations under the Indemnity have averaged in total approximately $15 million per year. Periodically, issues have arisen between Koppers Inc. and Beazer East and/or other indemnitors that have been resolved without arbitration. Koppers Inc. and Beazer East engage in discussions from time to time that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

If for any reason (including disputed coverage or financial incapability) one or more of such parties fail to perform their obligations and the Company or its subsidiaries are held liable for or otherwise required to pay all or part of such liabilities without reimbursement, the imposition of such liabilities on the Company or its subsidiaries could have a material adverse effect on its business, financial condition, cash flows and results of operations. Furthermore, the Company could be required to record a contingent liability on its balance sheet with respect to such matters, which could result in a negative impact to the Company's business, financial condition, cash flows and results of operations.

Domestic Environmental Matters. Koppers Inc. has been named as one of the potentially responsible parties ("PRPs") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. currently maintains a coal tar pitch terminal near the site. Koppers Inc. has responded to an Environmental Protection Agency ("EPA") information request and has executed a PRP agreement which outlines the process to develop an allocation of past and future costs among more than 80 parties to the site. Koppers Inc. believes it is a *de minimus* contributor at the site. Additionally, a separate natural resources damages assessment ("NRDA") is being conducted by a local trustee group. The NRDA is intended to identify further information necessary to estimate liabilities for remediation based settlements of national resource damages ("NRD") claims. Koppers Inc. may also incur liabilities under the NRD process and has entered into a separate process to develop an allocation of NRDA cost.

In March 2012, a draft Feasibility Study ("FS") was submitted to EPA by the Lower Willamette Group, a group of certain PRPs which has been conducting the investigation of the site. The draft FS identifies ten possible remedial alternatives which range in cost from approximately $170 million to $1.8 billion. The FS does not determine who is responsible for remediation costs or select remedies. The FS is under review by the EPA which will issue a final decision on the nature and extent of the final remediation. Responsibility for implementing and funding that work will be decided in the separate allocation process.

In September 2009, Koppers Inc. received a general notice letter notifying it that it may be a PRP at the Newark Bay CERCLA site. In January 2010, Koppers Inc. submitted a response to the general notice letter asserting that Koppers Inc. is a *de minimus* party at this site.

Other than the estimated costs of participating in the PRP group at the Portland Harbor and Newark Bay CERCLA sites totaling $0.8 million at June 30, 2014, the Company has not provided a reserve for these matters because there has not been a determination of the total cost of the investigations, the remediation that will be required, the amount of natural resources damages or how those costs will be allocated among the PRPs. Accordingly, the Company believes that it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. An unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Australian Environmental Matters. Soil and groundwater contamination has been detected at certain of the Company's Australian facilities. At the Company's tar distillation facility in Newcastle, New South Wales, Australia, soil contamination from an abandoned underground coal tar pipeline and other groundwater contamination have been detected at a property adjacent to the facility. In 2011, the Company and the owner of the adjacent property reached an agreement in which the Company will contribute $1.6 million and the owner of the adjacent property will contribute $7.5 million toward remediation of the property. The agreement provides that the Company will assume responsibility for the management of the remediation effort and will indemnify the current owner for any remediation costs in excess of its agreed contribution. At the completion of the remediation, the agreement provides that the property will be transferred to the Company. The remediation project commenced in 2011 and the Company has reserved its expected remaining remediation costs of $4.0 million and has recorded a receivable, net of cash collections, from the owner of the adjacent property of $2.8 million as of June 30, 2014.

In December 2011, the Company ceased manufacturing operations at its Continental Carbon facility located in Kurnell, Australia. The Company has accrued its expected cost of site remediation resulting from the closure of $5.9 million as of June 30, 2014.

Environmental Reserves Rollforward. The following table reflects changes in the accrued liability for environmental matters, of which $8.4 million and $8.2 million are classified as current liabilities at June 30, 2014 and December 31, 2013, respectively:

	Period ended	
	June 30, 2014	*December 31, 2013*
(Dollars in millions)		
Balance at beginning of year	$ 11.9	$ 14.1
Expense	0.1	1.8
Reversal of reserves	0.0	(1.2)
Cash expenditures	(0.7)	(0.9)
Currency translation	0.7	(1.9)
Balance at end of period	$ 12.0	$ 11.9

18. Subsidiary Guarantor Information for Koppers Inc. Senior Notes

On December 1, 2009, Koppers Inc. issued $300.0 million principal value of Senior Notes. Koppers Holdings and each of Koppers Inc.'s 100 percent-owned material domestic subsidiaries other than Koppers Assurance, Inc. fully and unconditionally guarantee the payment of principal and interest on the Senior Notes. The domestic guarantor subsidiaries include Koppers World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Concrete Products, Inc., Concrete Partners, Inc., and Koppers Asia LLC. Non-guarantor subsidiaries are owned directly by Koppers Inc. or are owned directly or indirectly by Koppers World-Wide Ventures Corporation.

The guarantee of a guarantor subsidiary will be automatically and unconditionally released and discharged in the event of:

- any sale of the capital stock or substantially all of the assets of the guarantor subsidiary;
- the designation of the guarantor subsidiary as an unrestricted subsidiary in accordance with the indenture governing the Senior Notes; and
- the legal defeasance, covenant defeasance or satisfaction and discharge of the indenture governing the Senior Notes.

Koppers Holdings depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of any declared dividend of Koppers Holdings. Koppers Inc.'s credit agreement prohibits it from making dividend payments to Koppers Holdings Inc. unless (1) such dividend payments are permitted by the indenture governing Koppers Inc.'s Senior Notes and (2) no event of default or potential default has occurred or is continuing under the credit agreement. The indenture governing Koppers Inc.'s Senior Notes restricts its ability to finance Koppers Holdings Inc.'s payment of dividends if (1) a default has occurred or would result from such financing, (2) a restricted subsidiary of Koppers Inc. which is not a guarantor under the indenture is not able to incur additional indebtedness (as defined in the indenture), and (3) the sum of all restricted payments (as defined in the indenture) have exceeded the permitted amount (referred to as the "basket") at such point in time.

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $350.0 million at variable interest rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends and investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

The amount of restricted net assets unavailable for distribution to Koppers Holdings Inc. by Koppers Inc. totals $154 million as of June 30, 2014. Cash dividends paid to Koppers Holdings Inc. by its subsidiaries totaled $12.6 million and $12.1 million for the six months ended June 30, 2014 and 2013, respectively.

Separate condensed consolidating financial statement information for Koppers Holdings Inc. (the parent), Koppers Inc., domestic guarantor subsidiaries and non-guarantor subsidiaries as of June 30, 2014 and December 31, 2013 and for the three and six months ended June 30, 2014 and 2013 is as follows. The condensed consolidating statement of comprehensive income for the three and six months ended June 30, 2013 has been restated to revise the presentation of net income and related investments in subsidiaries under the equity method of accounting. This restatement changed the previously reported amounts

for equity income, other income, interest expense, net income attributable to Koppers, comprehensive income attributable to Koppers and other related subtotals in the following columns: Parent, Koppers Inc., Domestic Guarantor Subsidiaries and Consolidating Adjustments. There was no change to amounts previously reported for the Consolidated totals.

The condensed consolidating statement of cash flows for the six months ended June 30, 2013 has been restated to revise the presentation of intercompany dividends and intercompany lending agreements. This restatement changed the previously reported amounts for cash provided by or used in operating activities, investing activities and financing activities in the following columns: Koppers Inc., Domestic Guarantor Subsidiaries, Non-Guarantor Subsidiaries and Consolidating Adjustments. There was no change to amounts previously reported for the Parent or Consolidated columns except for rounding differences. There was no impact on the net increase or decrease in cash for any column.

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended June 30, 2014

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 202.4	$ 7.2	$ 157.5	$ (10.3)	$ 356.8
Cost of sales including depreciation and amortization	0.0	184.0	2.3	145.8	(10.5)	321.6
Selling, general and administrative	0.5	14.3	0.3	6.8	0.0	21.9
Operating profit (loss)	(0.5)	4.1	4.6	4.9	0.2	13.3
Other income (expense)	0.0	0.1	0.9	(0.2)	(1.1)	(0.3)
Equity income of subsidiaries	2.0	7.3	1.2	0.0	(10.5)	0.0
Interest expense (income)	0.0	6.5	0.0	1.2	(1.1)	6.6
Income taxes	(0.1)	2.9	0.1	2.7	0.0	5.6
Income from continuing operations	1.6	2.1	6.6	0.8	(10.3)	0.8
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	(0.9)	0.0	(0.9)
Net income attributable to Koppers	$ 1.6	$ 2.1	$ 6.6	$ 1.6	$ (10.3)	$ 1.6
Comprehensive income attributable to Koppers	$ 4.1	$ 4.5	$ 8.7	$ 0.8	$ (14.0)	$ 4.1

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 225.8	$ 14.4	$ 144.1	$ (13.4)	$ 370.9
Cost of sales including depreciation and amortization	0.0	200.1	9.7	129.9	(13.5)	326.2
Selling, general and administrative	0.5	9.2	0.2	6.3	0.0	16.2
Operating profit (loss)	(0.5)	16.5	4.5	7.9	0.1	28.5
Other income (expense)	0.0	0.8	1.0	0.3	(1.1)	1.0
Equity income of subsidiaries	14.6	10.4	4.5	0.0	(29.5)	0.0
Interest expense (income)	(0.1)	6.7	0.0	1.1	(1.1)	6.6
Income taxes	(0.2)	6.4	0.1	1.8	0.0	8.1
Income from continuing operations	14.4	14.6	9.9	5.3	(29.4)	14.8
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$14.4	$ 14.6	$ 9.9	$ 4.9	$ (29.4)	$ 14.4
Comprehensive income attributable to Koppers	$ 5.7	$ 6.1	$ 0.3	$ (2.1)	$ (4.3)	$ 5.7

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2014

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 380.0	$ 17.9	$ 311.4	$ (21.1)	$ 688.2
Cost of sales including depreciation and amortization	0.0	344.9	9.2	298.3	(21.3)	631.1
Selling, general and administrative	1.0	27.8	0.6	13.9	0.0	43.3
Operating profit (loss)	(1.0)	7.3	8.1	(0.8)	0.2	13.8
Other income (expense)	0.0	0.1	1.8	0.1	(2.1)	(0.1)
Equity income of subsidiaries	4.5	9.6	(7.0)	0.0	(7.1)	0.0
Interest expense (income)	0.0	13.3	0.0	2.2	(2.1)	13.4
Income taxes	(0.3)	(0.8)	(5.9)	6.6	0.0	(0.4)
Income from continuing operations	3.8	4.5	8.8	(9.5)	(6.9)	0.7
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	(3.2)	0.0	(3.2)
Net income attributable to Koppers	$ 3.8	$ 4.5	$ 8.8	$ (6.4)	$ (6.9)	$ 3.8
Comprehensive income attributable to Koppers	$ 9.4	$ 10.1	$ 13.6	$ 1.0	$ (24.7)	$ 9.4

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2013

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 430.2	$ 36.6	$ 306.0	$ (31.5)	$ 741.3
Cost of sales including depreciation and amortization	0.0	383.1	27.1	275.3	(31.5)	654.0
Selling, general and administrative	1.0	18.9	0.6	13.4	0.0	33.9
Operating profit (loss)	(1.0)	28.2	8.9	17.3	0.0	53.4
Other income (expense)	0.0	0.9	2.1	0.7	(2.2)	1.5
Equity income of subsidiaries	26.0	21.5	10.1	0.0	(57.6)	0.0
Interest expense (income)	0.0	13.5	0.0	2.2	(2.2)	13.5
Income taxes	(0.4)	11.1	0.2	4.3	0.0	15.2
Income from continuing operations	25.4	26.0	20.9	11.5	(57.6)	26.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.8	0.0	0.8
Net income attributable to Koppers	$25.4	$ 26.0	$ 20.9	$ 10.7	$ (57.6)	$ 25.4
Comprehensive income attributable to Koppers	$15.0	$ 15.6	$ 8.4	$ (5.7)	$ (18.3)	$ 15.0

Condensed Consolidating Balance Sheet
June 30, 2014

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 54.4	$ 0.0	$ 54.4
Receivables, net	0.0	91.6	2.8	74.4	0.0	168.8
Affiliated receivables	0.3	5.7	4.9	6.5	(17.4)	0.0
Inventories, net	0.0	91.0	0.0	98.2	0.0	189.2
Deferred tax assets	0.0	7.9	3.9	0.6	0.0	12.4
Other current assets	0.0	4.8	0.5	32.8	0.0	38.1
Total current assets	0.3	201.0	12.1	266.9	(17.4)	462.9
Equity investments	175.3	347.7	182.9	4.5	(704.2)	6.2
Property, plant and equipment, net	0.0	110.8	0.2	104.3	0.0	215.3
Goodwill	0.0	39.8	0.0	35.6	0.0	75.4
Deferred tax assets	0.0	3.6	2.3	8.8	0.0	14.7
Affiliated loan receivables	0.0	29.8	151.7	41.0	(222.5)	0.0
Other noncurrent assets	0.0	13.8	0.0	17.7	0.0	31.5
Total assets	$175.6	$ 746.5	$ 349.2	$ 478.8	$ (944.1)	$ 806.0
LIABILITIES AND EQUITY						
Accounts payable	$ 0.0	$ 45.7	$ 1.9	$ 45.5	$ 0.0	$ 93.1
Affiliated payables	0.0	10.2	2.6	10.0	(22.8)	0.0
Accrued liabilities	4.7	25.0	0.2	48.4	0.0	78.3
Total current liabilities	4.7	80.9	4.7	103.9	(22.8)	171.4
Long-term debt	0.0	321.1	0.0	37.3	0.0	358.4
Affiliated debt	0.0	116.5	29.8	76.2	(222.5)	0.0
Other long-term liabilities	0.0	58.0	2.5	27.1	0.0	87.6
Total liabilities	4.7	576.5	37.0	244.5	(245.3)	617.4
Koppers shareholders' equity	170.9	170.0	312.2	216.6	(698.8)	170.9
Noncontrolling interests	0.0	0.0	0.0	17.7	0.0	17.7
Total liabilities and equity	$175.6	$ 746.5	$ 349.2	$ 478.8	$ (944.1)	$ 806.0

Condensed Consolidating Balance Sheet
December 31, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS						
Cash and cash equivalents	$ 0.0	$ 29.9	$ 0.1	$ 52.2	$ 0.0	$ 82.2
Receivables, net	0.0	75.6	9.3	82.0	0.0	166.9
Affiliated receivables	0.2	1.1	3.9	2.3	(7.5)	0.0
Inventories, net	0.0	86.1	0.0	82.9	(0.2)	168.8
Deferred tax assets	0.0	7.9	1.5	0.6	0.0	10.0
Other current assets	0.0	7.3	0.6	37.3	0.0	45.2
Total current assets	0.2	207.9	15.4	257.3	(7.7)	473.1
Equity investments	174.7	333.5	182.9	4.6	(689.1)	6.6
Property, plant and equipment, net	0.0	112.2	0.0	84.8	0.0	197.0
Goodwill	0.0	39.8	0.0	32.9	0.0	72.7
Deferred tax assets	0.0	2.4	(1.4)	8.3	0.0	9.3
Affiliated loan receivables	0.0	8.5	123.8	40.9	(173.2)	0.0
Other noncurrent assets	0.0	15.0	0.0	11.2	0.0	26.2
Total assets	$174.9	$ 719.3	$ 320.7	$ 440.0	$ (870.0)	$ 784.9
LIABILITIES AND EQUITY						
Accounts payable	$ 0.0	$ 48.3	$ 6.7	$ 52.6	$ 0.0	$ 107.6
Affiliated payables	0.0	1.9	4.0	8.6	(14.5)	0.0
Accrued liabilities	5.1	27.8	0.5	54.1	0.0	87.5
Total current liabilities	5.1	78.0	11.2	115.3	(14.5)	195.1
Long-term debt	0.0	296.5	0.0	6.6	0.0	303.1
Affiliated debt	0.0	109.5	8.5	55.2	(173.2)	0.0
Other long-term liabilities	0.0	67.6	2.5	26.8	0.0	96.9
Total liabilities	5.1	551.6	22.2	203.9	(187.7)	595.1
Koppers shareholders' equity	169.8	167.7	298.5	216.1	(682.3)	169.8
Noncontrolling interests	0.0	0.0	0.0	20.0	0.0	20.0
Total liabilities and equity	$174.9	$ 719.3	$ 320.7	$ 440.0	$ (870.0)	$ 784.9

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2014

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 11.5	$ (19.0)	$ 17.1	$ 3.2	$ (21.5)	$ (8.7)
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(7.8)	(15.0)	(57.2)	14.8	(65.2)
(Loans to) repayments from affiliates	0.0	(21.5)	(23.7)	0.0	45.2	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) investing activities	0.0	(29.3)	(38.7)	(57.2)	60.0	(65.2)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	24.3	0.0	31.2	0.0	55.5
Borrowings (repayments) of affiliated debt	0.0	6.7	21.5	17.0	(45.2)	0.0
Other financing activities	0.0	0.0	0.0	1.4	0.0	1.4
Dividends paid	(10.2)	(12.6)	0.0	(8.9)	21.5	(10.2)
Stock issued (repurchased)	(1.3)	0.0	0.0	14.8	(14.8)	(1.3)
Net cash provided by (used in) financing activities	(11.5)	18.4	21.5	55.5	(38.5)	45.4
Effect of exchange rates on cash	0.0	0.0	0.0	0.7	0.0	0.7
Net increase (decrease) in cash and cash equivalents	0.0	(29.9)	(0.1)	2.2	0.0	(27.8)
Cash and cash equivalents at beginning of year	0.0	29.9	0.1	52.2	0.0	82.2
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 54.4	$ 0.0	$ 54.4

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 11.6	$ 6.2	$ 1.9	$ 15.5	$ (15.2)	$ 20.0
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(8.1)	0.0	(7.6)	0.0	(15.7)
(Loans to) repayments from affiliates	0.0	(2.9)	(4.7)	(2.6)	10.2	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.8	0.0	0.1	0.0	0.9
Net cash provided by (used in) investing activities	0.0	(10.2)	(4.7)	(10.1)	10.2	(14.8)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	5.1	0.0	0.0	0.0	5.1
Borrowings (repayments) of affiliated debt	0.0	7.3	2.9	0.0	(10.2)	0.0
Deferred financing costs	0.0	(1.2)	0.0	0.0	0.0	(1.2)
Other financing activities	0.0	0.0	0.0	2.3	0.0	2.3
Dividends paid	(10.2)	(12.1)	0.0	(3.1)	15.2	(10.2)
Stock issued (repurchased)	(1.4)	0.0	0.0	0.0	0.0	(1.4)
Net cash provided by (used in) financing activities	(11.6)	(0.9)	2.9	(0.8)	5.0	(5.4)
Effect of exchange rates on cash	0.0	0.1	0.0	(3.4)	0.0	(3.3)
Net increase (decrease) in cash and cash equivalents	0.0	(4.8)	0.1	1.2	0.0	(3.5)
Cash and cash equivalents at beginning of year	0.0	4.8	0.0	61.9	0.0	66.7
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.1	$ 63.1	$ 0.0	$ 63.2

19. Subsidiary Guarantor Information for Shelf Registration

Under a registration statement on Form S-3, Koppers Holdings may sell a combination of securities, including common stock, debt securities, preferred stock, depository shares, warrants and units, from time to time in one or more offerings. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. Debt securities may be fully and unconditionally guaranteed, on a joint and several basis, by Koppers Holdings, Koppers Inc. and/or other guarantor subsidiaries which will correspond to certain subsidiaries in the United States, Europe and Australia which are 100 percent owned by either Koppers Holdings or Koppers Inc. The non-guarantor subsidiaries consist of certain subsidiaries in the United States, China, India and Mauritius. Non-guarantor subsidiaries are owned directly by Koppers Inc. or are owned directly or indirectly by foreign guarantor subsidiaries. The guarantor subsidiaries that issue guarantees, if any, will be determined when a debt offering actually occurs under the registration statement and accordingly, the condensed consolidating financial information for subsidiary guarantors will be revised to identify the subsidiaries that actually provided guarantees. These guarantees will be governed pursuant to a supplemental indenture which the trustee and the issuing company would enter into concurrent with the debt offering.

Koppers Holdings depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of any declared dividend of Koppers Holdings. Koppers Inc.’s credit agreement prohibits it from making dividend payments to Koppers Holdings Inc. unless (1) such dividend payments are permitted by the indenture governing Koppers Inc.’s Senior Notes and (2) no event of default or potential default has occurred or is continuing under the credit agreement. The indenture governing Koppers Inc.’s Senior Notes restricts its ability to finance Koppers Holdings Inc.’s payment of dividends if (1) a default has occurred or would result from such financing, (2) a restricted subsidiary of Koppers Inc. which is not a guarantor under the indenture is not able to incur additional indebtedness (as defined in the indenture), and (3) the sum of all restricted payments (as defined in the indenture) have exceeded the permitted amount (referred to as the “basket”) at such point in time.

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $350.0 million at variable interest rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends and investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

The amount of restricted net assets unavailable for distribution to Koppers Holdings Inc. by its subsidiaries totals approximately $154 million as of June 30, 2014. Cash dividends paid to Koppers Holdings Inc. by its subsidiaries totaled $12.6 million and $12.1 million for the six months ended June 30, 2014 and 2013, respectively.

Separate condensed consolidating financial statement information for the parent, Koppers Inc., domestic guarantor subsidiaries, foreign guarantor subsidiaries and non-guarantor subsidiaries as of June 30, 2014 and December 31, 2013 and for the three and six months ended June 30, 2014 and 2013 is as follows. The condensed consolidating statement of comprehensive income for the three and six months ended June 30, 2013 has been restated to revise the presentation of net income and related investments in subsidiaries under the equity method of accounting. This restatement changed the previously reported amounts for equity income, other income, interest expense, net income attributable to Koppers, comprehensive income attributable to Koppers and other related subtotals in the following columns: Koppers Inc., Domestic Guarantor Subsidiaries, Foreign Guarantor Subsidiaries and Consolidating Adjustments. There was no change to amounts previously reported for the Consolidated totals.

The condensed consolidating statement of cash flows for the six months ended June 30, 2013 has been restated to revise the presentation of intercompany dividends and intercompany lending agreements. This restatement changed the previously reported amounts for cash provided by or used in operating activities, investing activities and financing activities in the following columns: Koppers Inc., Domestic Guarantor Subsidiaries, Foreign Guarantor Subsidiaries, Non-Guarantor Subsidiaries and Consolidating Adjustments. There was no change to amounts previously reported for the Parent or Consolidated columns except for rounding differences. There was no impact on the net increase or decrease in cash for any column.

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended June 30, 2014

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 202.4	$ 7.2	$ 105.0	$ 52.8	$ (10.6)	$ 356.8
Cost of sales including depreciation and amortization	0.0	184.0	2.3	92.6	53.5	(10.8)	321.6
Selling, general and administrative	0.5	14.3	0.3	5.4	1.4	0.0	21.9
Operating profit (loss)	(0.5)	4.1	4.6	7.0	(2.1)	0.2	13.3
Other income (expense)	0.0	0.1	0.9	0.1	(0.3)	(1.1)	(0.3)
Equity income of subsidiaries	2.0	7.3	1.2	(1.7)	0.1	(8.9)	0.0
Interest expense (income)	0.0	6.5	0.0	0.8	0.4	(1.1)	6.6
Income taxes	(0.1)	2.9	0.1	3.1	(0.4)	0.0	5.6
Income from continuing operations	1.6	2.1	6.6	1.5	(2.3)	(8.7)	0.8
Discontinued operations	0.0	0.0	0.0	(0.0)	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.0	(0.9)	0.0	(0.9)
Net income attributable to Koppers	$ 1.6	$ 2.1	$ 6.6	$ 1.5	$ (1.5)	$ (8.7)	$ 1.6
Comprehensive income attributable to Koppers	$ 4.1	$ 4.5	$ 8.7	$ 2.1	$ 0.4	$ (15.7)	$ 4.1

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 225.8	$ 14.4	$ 106.4	$ 39.8	$ (15.5)	$ 370.9
Cost of sales including depreciation and amortization	0.0	200.1	9.7	94.4	37.6	(15.6)	326.2
Selling, general and administrative	0.5	9.2	0.2	5.3	1.0	0.0	16.2
Operating profit (loss)	(0.5)	16.5	4.5	6.7	1.2	0.1	28.5
Other income (expense)	0.0	0.8	1.0	0.1	0.2	(1.1)	1.0
Equity income of subsidiaries	14.6	10.4	4.5	0.5	0.0	(30.0)	0.0
Interest expense (income)	(0.1)	6.7	0.0	1.0	0.2	(1.2)	6.6
Income taxes	(0.2)	6.4	0.1	1.6	0.2	0.0	8.1
Income from continuing operations	14.4	14.6	9.9	4.7	1.0	(29.8)	14.8
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$14.4	$ 14.6	$ 9.9	$ 4.6	$ 0.7	$ (29.8)	$ 14.4
Comprehensive income attributable to Koppers	$ 5.7	$ 6.1	$ 0.3	$ 0.0	$ (0.1)	$ (6.3)	$ 5.7

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2014

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 380.0	$ 17.9	$ 218.1	$ 93.6	$ (21.4)	$ 688.2
Cost of sales including depreciation and amortization	0.0	344.9	9.2	200.7	97.9	(21.6)	631.1
Selling, general and administrative	1.0	27.8	0.6	11.2	2.7	0.0	43.3
Operating profit (loss)	(1.0)	7.3	8.1	6.2	(7.0)	0.2	13.8
Other income (expense)	0.0	0.1	1.8	0.1	0.0	(2.1)	(0.1)
Equity income of subsidiaries	4.5	9.6	(7.0)	(5.1)	0.1	(2.1)	0.0
Interest expense (income)	0.0	13.3	0.0	1.4	0.8	(2.1)	13.4
Income taxes	(0.3)	(0.8)	(5.9)	6.4	0.2	0.0	(0.4)
Income from continuing operations	3.8	4.5	8.8	(6.6)	(7.9)	(1.9)	0.7
Discontinued operations	0.0	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.0	(3.2)	0.0	(3.2)
Net income attributable to Koppers	$ 3.8	$ 4.5	$ 8.8	$ (6.6)	$ (4.8)	$ (1.9)	$ 3.8
Comprehensive income attributable to Koppers	$ 9.4	$ 10.1	$ 13.6	$ (4.1)	$ (0.6)	$ (19.0)	$ 9.4

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2013

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 430.2	$ 36.6	$ 227.9	$ 80.5	$ (33.9)	$ 741.3
Cost of sales including depreciation and amortization	0.0	383.1	27.1	202.1	75.6	(33.9)	654.0
Selling, general and administrative	1.0	18.9	0.6	11.3	2.1	0.0	33.9
Operating profit (loss)	(1.0)	28.2	8.9	14.5	2.8	0.0	53.4
Other income (expense)	0.0	0.9	2.1	0.1	0.6	(2.2)	1.5
Equity income of subsidiaries	26.0	21.5	10.1	1.0	0.0	(58.6)	0.0
Interest expense (income)	0.0	13.5	0.0	1.8	0.5	(2.3)	13.5
Income taxes	(0.4)	11.1	0.2	3.6	0.7	0.0	15.2
Income from continuing operations	25.4	26.0	20.9	10.2	2.2	(58.5)	26.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.0	0.8	0.0	0.8
Net income attributable to Koppers	$25.4	$ 26.0	$ 20.9	$ 10.2	$ 1.4	$ (58.5)	$ 25.4
Comprehensive income attributable to Koppers	$15.0	$ 15.6	$ 8.4	$ 2.0	$ 0.0	$ (26.0)	$ 15.0

Condensed Consolidating Balance Sheet
June 30, 2014

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 37.9	$ 16.5	$ 0.0	$ 54.4
Receivables, net	0.0	91.6	2.8	48.6	25.8	0.0	168.8
Affiliated Receivables	0.3	5.7	4.9	4.1	2.5	(17.5)	0.0
Inventories, net	0.0	91.0	0.0	75.7	22.5	0.0	189.2
Deferred tax assets	0.0	7.9	3.9	0.0	0.6	0.0	12.4
Other current assets	0.0	4.8	0.5	13.9	18.9	0.0	38.1
Total current assets	0.3	201.0	12.1	180.2	86.8	(17.5)	462.9
Equity investments	175.3	347.7	182.9	48.5	4.5	(752.7)	6.2
Property, plant and equipment, net	0.0	110.8	0.2	41.1	63.2	0.0	215.3
Goodwill	0.0	39.8	0.0	32.7	2.9	0.0	75.4
Deferred tax assets	0.0	3.6	2.3	5.5	3.3	0.0	14.7
Affiliated loan receivables	0.0	29.8	151.7	0.1	40.9	(222.5)	0.0
Other noncurrent assets	0.0	13.8	0.0	10.1	7.6	0.0	31.5
Total assets	$175.6	$ 746.5	$ 349.2	$ 318.2	$ 209.2	$ (992.7)	$ 806.0
LIABILITIES AND EQUITY							
Accounts payable	$ 0.0	$ 45.7	$ 1.9	$ 30.7	$ 14.8	$ 0.0	$ 93.1
Affiliated payables	0.0	10.2	2.6	1.9	8.1	(22.8)	0.0
Accrued liabilities	4.7	25.0	0.2	41.9	6.5	0.0	78.3
Total current liabilities	4.7	80.9	4.7	74.5	29.4	(22.8)	171.4
Long-term debt	0.0	321.1	0.0	0.0	37.3	0.0	358.4
Affiliated debt	0.0	116.5	29.8	58.6	17.6	(222.5)	0.0
Other long-term liabilities	0.0	58.0	2.5	18.9	8.2	0.0	87.6
Total liabilities	4.7	576.5	37.0	152.0	92.5	(245.3)	617.4
Koppers shareholders' equity	170.9	170.0	312.2	166.2	99.0	(747.4)	170.9
Noncontrolling interests	0.0	0.0	0.0	0.0	17.7	0.0	17.7
Total liabilities and equity	$175.6	$ 746.5	$ 349.2	$ 318.2	$ 209.2	$ (992.7)	$ 806.0

Condensed Consolidating Balance Sheet
December 31, 2013

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 29.9	$ 0.1	$ 43.5	$ 8.7	$ 0.0	$ 82.2
Receivables, net	0.0	75.6	9.3	55.5	26.5	0.0	166.9
Affiliated receivables	0.2	1.1	3.9	0.8	1.6	(7.6)	0.0
Inventories, net	0.0	86.1	0.0	75.2	7.7	(0.2)	168.8
Deferred tax assets	0.0	7.9	1.5	0.0	0.6	0.0	10.0
Other current assets	0.0	7.3	0.6	17.5	19.8	0.0	45.2
Total current assets	0.2	207.9	15.4	192.5	64.9	(7.8)	473.1
Equity investments	174.7	333.5	182.9	50.5	4.5	(739.5)	6.6
Property, plant and equipment, net	0.0	112.2	0.0	38.1	46.7	0.0	197.0
Goodwill	0.0	39.8	0.0	31.5	1.4	0.0	72.7
Deferred tax assets	0.0	2.4	(1.4)	5.5	2.8	0.0	9.3
Affiliated loan receivables	0.0	8.5	123.8	0.1	40.8	(173.2)	0.0
Other noncurrent assets	0.0	15.0	0.0	9.9	1.3	0.0	26.2
Total assets	$174.9	$ 719.3	$ 320.7	$ 328.1	$ 162.4	$ (920.5)	$ 784.9
LIABILITIES AND EQUITY							
Accounts payable	$ 0.0	$ 48.3	$ 6.7	$ 40.6	$ 12.0	$ 0.0	$ 107.6
Affiliated payables	0.0	1.9	4.0	0.4	8.4	(14.7)	0.0
Accrued liabilities	5.1	27.8	0.5	31.4	22.7	0.0	87.5
Total current liabilities	5.1	78.0	11.2	72.4	43.1	(14.7)	195.1
Long-term debt	0.0	296.5	0.0	0.0	6.6	0.0	303.1
Affiliated debt	0.0	109.5	8.5	55.2	0.0	(173.2)	0.0
Other long-term liabilities	0.0	67.6	2.5	19.6	7.2	0.0	96.9
Total liabilities	5.1	551.6	22.2	147.2	56.9	(187.9)	595.1
Koppers shareholders' equity	169.8	167.7	298.5	180.9	85.5	(732.6)	169.8
Noncontrolling interests	0.0	0.0	0.0	0.0	20.0	0.0	20.0
Total liabilities and equity	$174.9	$ 719.3	$ 320.7	$ 328.1	$ 162.4	$ (920.5)	$ 784.9

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2014

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 11.5	$ (19.0)	$ 17.1	$ 12.3	$ (9.1)	$ (21.5)	$ (8.7)
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(7.8)	(15.0)	(10.6)	(50.7)	18.9	(65.2)
(Loans to) repayments from affiliates	0.0	(21.5)	(23.7)	0.0	0.0	45.2	0.0
Net cash provided by (used in) investing activities	0.0	(29.3)	(38.7)	(10.6)	(50.7)	64.1	(65.2)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	24.3	0.0	0.0	31.2	0.0	55.5
Borrowings (repayments) of affiliated debt	0.0	6.7	21.5	0.0	17.0	(45.2)	0.0
Other financing activities	0.0	0.0	0.0	0.0	1.4	0.0	1.4
Dividends paid	(10.2)	(12.6)	0.0	(8.9)	0.0	21.5	(10.2)
Stock issued (repurchased)	(1.3)	0.0	0.0	0.0	18.9	(18.9)	(1.3)
Net cash provided by (used in) financing activities	(11.5)	18.4	21.5	(8.9)	68.5	(42.6)	45.4
Effect of exchange rates on cash	0.0	0.0	0.0	1.6	(0.9)	0.0	0.7
Net increase (decrease) in cash and cash equivalents	0.0	(29.9)	(0.1)	(5.6)	7.8	0.0	(27.8)
Cash and cash equivalents at beginning of year	0.0	29.9	0.1	43.5	8.7	0.0	82.2
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 37.9	$ 16.5	$ 0.0	$ 54.4

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2013

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 11.6	$ 6.2	$ 1.9	$ 13.0	$ 2.5	$ (15.2)	$ 20.0
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(8.1)	0.0	(9.9)	(4.6)	6.9	(15.7)
(Loans to) repayments from affiliates	0.0	(2.9)	(4.7)	0.0	(2.6)	10.2	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.8	0.0	0.1	0.0	0.0	0.9
Net cash provided by (used in) investing activities	0.0	(10.2)	(4.7)	(9.8)	(7.2)	17.1	(14.8)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	5.1	0.0	0.0	0.0	0.0	5.1
Borrowings (repayments) of affiliated debt	0.0	7.3	2.9	0.0	0.0	(10.2)	0.0
Deferred financing costs	0.0	(1.2)	0.0	0.0	0.0	0.0	(1.2)
Other financing activities	0.0	0.0	0.0	0.0	2.3	0.0	2.3
Dividends paid	(10.2)	(12.1)	0.0	(3.1)	0.0	15.2	(10.2)
Stock issued (repurchased)	(1.4)	0.0	0.0	0.0	6.9	(6.9)	(1.4)
Net cash provided by (used in) financing activities	(11.6)	(0.9)	2.9	(3.1)	9.2	(1.9)	(5.4)
Effect of exchange rates on cash	0.0	0.1	0.0	(3.4)	0.0	0.0	(3.3)
Net increase (decrease) in cash and cash equivalents	0.0	(4.8)	0.1	(3.3)	4.5	0.0	(3.5)
Cash and cash equivalents at beginning of year	0.0	4.8	0.0	40.7	21.2	0.0	66.7
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.1	$ 37.4	$ 25.7	$ 0.0	$ 63.2

20. Related Party Transactions

As of June 30, 2014, the Company has loaned $9.5 million to TKK, a 30-percent owned company in China. The loan is repayable in November 2014.

21. New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 requires an entity to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the amendment provides five steps that an entity should apply when recognizing revenue. The amendment also specifies the accounting of some costs to obtain or fulfill a contract with a customer and expands the disclosure requirements around contracts with customers. An entity can either adopt this amendment retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of initial application. The amendment is effective for annual reporting periods beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on the Company’s financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report and any documents incorporated herein by reference contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, restructuring, profitability and anticipated expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as "believe," "anticipate," "expect," "estimate," "may," "will," "should," "continue," "plans," "intends," "likely," or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or documents filed with the Securities and Exchange Commission, or in Koppers communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating efficiencies, product introduction or expansion, the benefits of acquisitions and divestitures or other matters as well as financings and repurchases of debt or equity securities, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect such forward-looking statements, include, among other things, Koppers' ability to successfully integrate the wood preservatives business and/or the railroad services business of Osmose; integration of the Osmose businesses may take longer to accomplish than expected; the expected cost savings and any synergies from the Osmose acquisition may not be fully realized within the expected timeframes; disruption from the Osmose acquisition may make it more difficult to maintain relationships with clients, associates or suppliers; the required financing for the Osmose acquisition may not be obtained on the proposed terms and schedule; general economic and business conditions; demand for Koppers goods and services; competitive conditions; interest rate and foreign currency rate fluctuations; availability of key raw materials and unfavorable resolution of claims against us, as well as those discussed more fully elsewhere in this report and in documents filed with the Securities and Exchange Commission by Koppers, particularly our latest annual report on Form 10-K and subsequent filings. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report and the documents incorporated by reference herein may not in fact occur. Any forward-looking statements in this report speak only as of the date of this report, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited financial statements and related notes included in Item 1 of this Part I as well as the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2013.

We are a leading integrated global provider of chemicals, carbon compounds and treated wood products and services. Our products are used in a variety of niche applications in a diverse range of end-markets, including the aluminum, railroad, specialty chemical, utility, rubber, concrete, and steel industries. We serve our customers through a comprehensive global manufacturing and distribution network, with manufacturing facilities located in the United States, Australia, China, the United Kingdom, Denmark and Canada.

We operate two principal businesses: **Carbon Materials and Chemicals ("CMC")** and **Railroad and Utility Products and Services ("RUPS").**

Through our CMC business, we process coal tar into a variety of products, including carbon pitch, creosote, carbon black feedstock, naphthalene and phthalic anhydride, which are intermediate materials necessary in the production of aluminum, the pressure treatment of wood, the production of carbon black, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. Through our RUPS business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Our other treated wood products include utility poles for the electric and telephone utility industries in North America and Australia. We also provide rail joint bar products as well as various services to the railroad industry.

On April 13, 2014, Koppers Inc. signed an agreement to acquire the wood preservation and railroad services businesses of Osmose Holdings, Inc. (Osmose). The parties continue working to satisfy the closing conditions to the transaction and, subject to the closing conditions being satisfied, the parties expect the transaction to close in the third quarter of 2014. Osmose's wood preservation business develops, manufactures and sells wood preservation chemicals and wood treatment technologies for

infrastructure, residential and commercial construction, and agricultural markets. The wood preservation business has operations and sales in North America, South America, Europe, and Australasia. Osmose's railroad services business is a provider of railroad infrastructure services, including bridge inspection, engineering, maintenance and repair, and construction services for the Class I and shortline railroads in North America. Revenues in 2013 for the businesses to be acquired were approximately $390 million.

In January 2014, we announced the acquisition of a crosstie treating plant in Ashcroft, British Columbia, Canada from Tolko Industries, Inc. for a purchase price of approximately $30 million. The facility, which is estimated to provide approximately $30 million in annual revenue, gives Koppers an operating presence in the Canadian railroad market.

In October 2012 we entered into an agreement with Nippon Steel and Sumikin Chemical ("Nippon") and several other entities to develop and construct a fully integrated coal tar based carbon products complex in Pizhou City, Jiangsu Province, China. The complex will include a 300,000 metric ton tar distillation facility which is majority-owned by Koppers, as well as a carbon black plant and a needle coke plant that will be owned by Nippon. A significant portion of the products produced at the tar distillation plant will be sold under a long-term contract with Nippon to supply their carbon black and needle coke plants. The project has commenced and construction of the tar distillation plant has been completed. We expect construction of the carbon black and needle coke plants to be completed by the end of 2014. We will be selling all of our production from the new facility into the domestic Chinese market until the carbon black and needle coke facilities are completed.

In October 2013, we were informed by the Tangshan Government of its intention to close the coke batteries owned and operated by our joint venture partner, Tangshan Iron and Steel Group Co., Ltd ("TISCO"), in Tangshan, China. The Tangshan Government has ordered the closure of these coke batteries in an effort to improve the air quality in the Tangshan area. One of TISCO's two coke batteries was recently shut down and we have been informed that the other coke battery adjacent to KCCC is scheduled to be shut down by the end of 2014. The Company's 60-percent owned subsidiary, KCCC, is located adjacent to TISCO's coke facility and relies on its operations for a significant portion of raw material supply, utilities and other shared services. Closure of the TISCO coke batteries directly impacts KCCC's ability to operate its coal tar distillation plant and the Company has determined that it is unable to continue coal tar distillation activities at the site once TISCO ceases production activities at the adjacent facility. The Company is continuing to evaluate its options, which include transitioning to a new location or entering into other strategic partnerships with other unrelated coal tar distillation companies.

The closure or relocation of KCCC's coal tar distillation facility could have a material adverse effect on our business, financial condition, cash flow and results of operations. For the year ended December 31, 2013, KCCC contributed operating profit of approximately $3.3 million after deducting profit attributable to non-controlling interests. As of June 30, 2014, after recording impairment charges of $4.0 million in the fourth quarter of 2013 and $4.7 million in the first quarter of 2014, the remaining net book value of fixed assets subject to impairment is $1.1 million at June 30, 2014. This amount will be reflected in depreciation expense on an accelerated basis reflecting management's estimate of the remaining useful life of the assets.

The Company believes it would be able to continue fulfilling current domestic Chinese customers and its export commitments with capacity at Koppers (Jiangsu) Carbon Chemical Company Limited, which will commence production activities in August 2014, TKK, its other 30-percent owned Chinese company, and other commercial relationships in China. However, the Company's margin on export sales may be negatively affected as a result of these actions.

Outlook

Trend Overview

Our businesses and results of operations are impacted by various competitive and other factors including (i) the impact of global economic conditions on demand for our products, including the impact of imported products from competitors in certain regions where we operate; (ii) raw materials pricing and availability, in particular the cost and availability of hardwood lumber for railroad crossties, and the cost and amount of coal tar available in global markets, which is negatively affected by reductions in steel production; (iii) volatility in oil prices, which impacts the cost of coal tar and certain other raw materials, as well as selling prices and margins for certain of our products including carbon black feedstock and phthalic anhydride; (iv) competitive conditions in global carbon pitch markets; and (v) changes in foreign exchange rates.

The availability of coal tar is linked to levels of metallurgical coke production. As the global steel industry has reduced production of steel and metallurgical coke, the volumes of coal tar by-product were also reduced. Our ability to obtain coal tar

and the price we are able to negotiate has a significant impact on the level of profitability of our business. Many of our sales contracts include provisions that allow for price increases based on increases in the price of raw materials, which has allowed us to generally maintain profit dollars in our core businesses. However, significant increases in raw material costs can result in margin dilution if only the increased cost of the raw material is passed on to the customer. Additionally, in certain regions such as China that have competing markets for coal tar, or in regions where the available supply of our products exceeds demand, we may not be able to recover raw material cost increases in the selling prices for our end products.

The primary product produced by CMC is carbon pitch, which is sold primarily to the aluminum industry to be used in the production of carbon anodes. The smelting of aluminum requires significant amounts of energy, which is a major cost component for the aluminum industry. As a result, new production facilities are being built in regions with low energy costs such as the Middle East, while regions with higher energy costs such as the United States, Australia and Western Europe have seen significant amounts of smelting capacity idled or closed over the last several years. Our operations in China have generally had lower profit margins than our operations in the mature regions due to a difficult pricing environment in the Middle East and in China as those regions have experienced an excess supply of pitch.

Our businesses and results of operations were also negatively affected in 2012 and 2013 by difficult economic conditions in Europe. Certain key end markets experienced significant reductions in demand that have negatively affected the profitability for most of our products produced and sold in Europe, and we expect this to continue for at least the foreseeable future. Additionally, during 2013 our profitability in North America was negatively impacted by increased levels of imports from competitors in Europe due to weak end-market demand there.

As a result of the items noted above, we have curtailed operations at several of our global CMC facilities including Follansbee, West Virginia, Uithoorn, The Netherlands, and Portland, Oregon in an effort to reduce costs and improve profitability. The curtailments resulted in charges to earnings of approximately $23 million in the first half of 2014 and are estimated to result in cost savings of approximately $9 million in 2014.

There may be additional curtailments or closures at our other facilities as part of our efforts to reduce our cost structure and improve capacity utilization in our businesses.

Several of our products, particularly carbon black feedstock and phthalic anhydride, have end market pricing that is linked to oil. Historically, when oil prices increase we have benefited in terms of revenues and profitability from the higher pricing for these products as the cost of coal tar has not increased proportionally with oil. However, in recent years our coal tar costs have demonstrated a stronger correlation to the price of oil, which has resulted in higher raw material and finished product costs to the extent that the price of oil has increased.

The primary end-market for RUPS is the North American railroad industry, which has a large installed base of wood crossties that require periodic replacement. As a result, our sales volumes for crossties and our operating results for this business have historically been relatively stable. However, our railroad business can be negatively affected by weather conditions that make it difficult for sawmills that provide our raw material to harvest timber. Additionally, some of our Class I railroad customers, who make up the largest portion of our business, may reduce inventory levels at certain times to manage working capital, which can adversely affect our volumes and profitability during certain periods.

In the second half of 2013 and first half of 2014 we experienced reduced purchases of untreated crossties due to increased competition from other hardwood lumber products. This competition has resulted in higher prices and reduced availability for crossties that has resulted in reduced crossties sales volumes for us in 2014.

Seasonality and Effects of Weather on Operations

Our quarterly operating results fluctuate due to a variety of factors that are outside of our control, including inclement weather conditions, which in the past have affected operating results. Operations at some of our facilities have at times been reduced during the winter months. Moreover, demand for some of our products declines during periods of inclement weather. As a result of the foregoing, we anticipate that we may experience material fluctuations in quarterly operating results. Historically, our operating results have been significantly lower in the first and fourth calendar quarters as compared to the second and third calendar quarters.

Results of Operations – Comparison of Three Months Ended June 30, 2014 and 2013

Consolidated Results

Net sales for the three months ended June 30, 2014 and 2013 are summarized by segment in the following table:

	Three Months Ended June 30,		
	2014	*2013*	*Net Change*
(Dollars in millions)			
Carbon Materials and Chemicals	$ 208.6	$ 220.3	-5%
Railroad and Utility Products and Services	148.2	150.6	-2%
	$ 356.8	$ 370.9	-4%

CMC net sales decreased by $11.7 million or five percent compared to the prior year period due to lower sales volumes and prices for carbon pitch and lower sales prices for phthalic anhydride and carbon black feedstock, partially offset by higher sales volumes for phthalic anhydride, carbon black feedstock and naphthalene.

Lower sales volumes and prices for carbon pitch, driven by lower aluminum production in the United States and a difficult global pricing environment, reduced sales by six percent compared to the prior year quarter.

Higher distillate sales volumes offset lower sales prices, with the higher sales volumes driven by sales from Chinese operations.

Sales of coal tar chemicals increased by one percent of sales as higher sales volumes for phthalic anhydride and naphthalene more than offset lower sales prices for phthalic anhydride compared to the prior year quarter.

RUPS net sales decreased by $2.4 million or two percent compared to the prior year period. The sales decrease was due primarily to lower sales volumes for crossties as a result of competitive conditions in the hardwood lumber markets.

Cost of sales as a percentage of net sales was 87 percent for the quarter ended June 30, 2014 compared to 86 percent for the quarter ended June 30, 2013 due to $3.2 million of restructuring charges in the second quarter of 2014 related to CMC facilities in Europe and China.

Depreciation and amortization for the quarter ended June 30, 2014 was $2.4 million higher when compared to the prior year period due mainly to $2.1 million of accelerated depreciation related to our facilities in Uithoorn, the Netherlands and Tangshan, China.

Selling, general and administrative expenses for the quarter ended June 30, 2014 were $5.7 million higher when compared to the prior year period due mainly to approximately $4.8 million of consulting expenses related to acquisitions, operations improvement projects, and plant startup costs.

Other income for the quarter ended June 30, 2014 was a loss of $0.3 million compared to income of $1.0 million in the prior year period due mainly to lower earnings from equity investments.

Interest expense for the quarter ended June 30, 2014 was $6.6 million, the same as in the prior year period.

Income taxes for the quarter ended June 30, 2014 were $2.5 million lower when compared to the prior year period due to a significant reduction in pre-tax income and an increased effective tax rate partially offset by the unfavorable impact of discrete tax items. The increase in the effective tax rate on pretax ordinary income and before discrete items to 65.0 percent compared to 41.5 percent in the prior year quarter is attributed to the non-deductibility of certain expenses related to the closure of the Uithoorn facility and the impairment of KCCC's coal tar distillation facility. Discrete items included in income taxes for the quarter ended June 30, 2014 were not material. Discrete items included in income taxes for the three months ended June 30, 2013 consisted of a net tax benefit of $1.4 million primarily due to the fact that the Company was no longer subject to potential income tax examinations for certain years.

Segment Results

Segment operating profit for the three months ended June 30, 2014 and 2013 is summarized by segment in the following table:

	Three Months Ended June 30,		
	2014	2013	% Change
(Dollars in millions)			
Operating profit:			
Carbon Materials and Chemicals	$ 3.8	$ 12.5	-70%
Railroad and Utility Products and Services	12.8	16.5	-22%
Corporate	(3.3)	(0.5)	-560%
	$ 13.3	$ 28.5	-53%
Operating profit as a percentage of net sales:			
Carbon Materials and Chemicals	1.8%	5.7%	-3.9%
Railroad and Utility Products and Services	8.6%	11.0%	-2.4%
	3.7%	7.7%	-4.0%

CMC operating profit decreased by $8.7 million or 70 percent over the prior year period. Operating profit as a percentage of net sales for CMC amounted to 1.8 percent compared to 5.7 percent in the prior year quarter. Operating profit for the three months ended June 30, 2014 was negatively affected by $6.1 million of impairment and plant closure charges related to the Uithoorn facility in The Netherlands and the KCCC facility in China. Additionally, operating profit was negatively impacted by lower sales prices for pitch and phthalic anhydride, and a plant outage that resulted in an estimated $2.0 million negative profit impact.

RUPS operating profit decreased by $3.7 million or 22 percent compared to the prior year period. Operating profit as a percentage of net sales for RUPS decreased to 8.6 percent from 11.0 percent in the prior year quarter. Operating profit for the three months ended June 30, 2014 was negatively impacted by lower sales volumes for crossties due to difficulties in obtaining adequate raw material supplies as a result of competition for hardwood lumber.

Results of Operations – Comparison of Six Months Ended June 30, 2014 and 2013

Consolidated Results

Net sales for the six months ended June 30, 2014 and 2013 are summarized by segment in the following table:

	Six Months Ended June 30,		
	2014	2013	Net Change
(Dollars in millions)			
Carbon Materials and Chemicals	$ 411.2	$ 450.8	-9%
Railroad and Utility Products and Services	277.0	290.5	-5%
	$ 688.2	$ 741.3	-7%

CMC net sales decreased by $39.6 million or nine percent compared to the prior year period due to lower sales volumes and prices for carbon pitch and lower sales prices for phthalic anhydride and carbon black feedstock.

Lower sales volumes and prices for carbon pitch, driven by a difficult global pricing environment and reduced aluminum production in the United States, reduced sales by six percent for the six months ended June 30, 2014 compared to the prior year period.

Lower sales prices for carbon black feedstock resulted in a decrease in sales of two percent for the six months ended June 30, 2014 compared to the same period in 2013.

Sales of coal tar chemicals were flat as higher sales volumes and prices for naphthalene and higher sales volumes for phthalic anhydride were offset by lower sales prices for phthalic anhydride driven by lower prices for orthoxylene.

RUPS net sales decreased by $13.5 million or five percent compared to the prior year period. The sales decrease was due primarily to lower sales volumes for crossties as a result of competitive conditions in the hardwood lumber markets.

Cost of sales as a percentage of net sales was 87 percent for the six months ended June 30, 2014 compared to 86 percent for the six months ended June 30, 2013 as a result of $3.2 million of restructuring charges related to the Uithoorn and KCCC facilities.

Depreciation and amortization for the six months ended June 30, 2014 was $4.0 million higher when compared to the prior year period due mainly to $3.5 million of accelerated depreciation related to the Uithoorn and KCCC facilities.

Impairment and restructuring charges of $15.5 million for the six months ended June 30, 2014 were related to the ceasing of distillation of the Uithoorn facility of $10.8 million combined with impairment charges related to the Tangshan facility of $4.7 million.

Selling, general and administrative expenses for the six months ended June 30, 2014 were $9.4 million higher when compared to the prior year period due mainly to $7.8 million of expenses related to acquisitions, operations improvement projects, and plant startup costs.

Other income for the six months ended June 30, 2014 was a loss of $0.1 million compared to income of $1.5 million in the prior year due mainly to lower earnings from equity investments.

Interest expense for the six months ended June 30, 2014 was relatively flat at $13.4 million compared to $13.5 million in the prior year period.

Income taxes for the six months ended June 30, 2014 resulted in a tax benefit of $0.4 million compared to tax expense of $15.2 million in the prior year period due to a significant reduction in pre-tax income, an increased effective tax rate, and the favorable impact of discrete tax items. The effective tax rate on pretax ordinary income before discrete items increased to 64.3 percent compared to 40.2 percent in the prior period due to the non-deductibility of certain expenses related to the closure of the Uithoorn facility and the impairment of KCCC's coal tar distillation facility. Discrete items included in income taxes for the six months ended June 30, 2014 were a net tax benefit of $5.7 million which was primarily related to management's decision that a deferred tax liability for certain undistributed earnings of its European subsidiaries was no longer necessary as these earnings are permanently reinvested. Discrete items included in income taxes for the six months ended June 30, 2013 consisted of a net tax benefit of $1.4 million primarily due to the fact that the Company was no longer subject to potential income tax examinations for certain years.

Segment Results

Segment operating profit for the six months ended June 30, 2014 and 2013 is summarized by segment in the following table:

	Six Months Ended June 30,		
	2014	*2013*	*% Change*
(Dollars in millions)			
Operating (loss) profit:			
Carbon Materials and Chemicals	$ (5.0)	$ 25.6	-120%
Railroad and Utility Products and Services	23.9	28.8	-17%
Corporate	(5.1)	(1.0)	-410%
	$ 13.8	$ 53.4	-74%
Operating (loss) profit as a percentage of net sales:			
Carbon Materials and Chemicals	(1.2)%	5.7%	-6.9%
Railroad and Utility Products and Services	8.6%	9.9%	-1.3%
	2.0%	7.2%	-5.2%

CMC operating profit decreased by $30.6 million over the prior year period. Operating loss as a percentage of net sales for CMC amounted to 1.2 percent compared to operating profit of 5.7 percent in the prior year period. Operating profit for the six months ended June 30, 2014 was negatively affected by $23.3 million of impairment and plant closure charges related to the

Uithoorn facility in The Netherlands and the KCCC facility in China. Additionally, operating profit was negatively impacted by lower sales prices for pitch and phthalic anhydride and a plant outage that resulted in an estimated $2.0 million negative profit impact.

RUPS operating profit decreased by $4.9 million or 17 percent compared to the prior year period, and operating profit as a percentage of net sales for RUPS decreased to 8.6 percent from 9.9 percent in the prior year period. Operating profit for the six months ended June 30, 2014 was negatively impacted by lower sales volumes for crossties due to difficulties in obtaining adequate raw material supplies as a result of competition for hardwood lumber combined with $2.8 million of consulting costs related to operational improvements.

Cash Flow

Net cash used by operating activities was $8.7 million for the six months ended June 30, 2014 as compared to net cash provided by operating activities of $20.0 million for the six months ended June 30, 2013. The net decrease of $28.7 million in cash from operations was due primarily to lower net income and higher working capital usage compared to the prior year period principally as a result of a decrease in accounts payable and accrued liabilities.

Net cash used in investing activities was $65.2 million for the six months ended June 30, 2014 as compared to net cash used in investing activities of $14.8 million for the six months ended June 30, 2013. The increase in net cash used by investing activities of $50.4 million is due to the acquisition of a wood treating facility in January 2014 for $29.6 million and $21 million of capital expenditures related to plant construction costs at the KJCC facility in China.

Net cash provided by financing activities was $45.4 million for the six months ended June 30, 2014 as compared to net cash used in financing activities of $5.4 million for the six months ended June 30, 2013. The difference is due mainly to net borrowings of $55.5 million in the first six months of 2014 compared to net borrowings of $5.1 million in the first six months of 2013. The borrowing activity was due mainly to the Ashcroft acquisition and construction costs at the KJCC facility in China.

Dividends paid were $10.2 million for the six months ended June 30, 2014, the same as the six months ended June 30, 2013. On August 6, 2014, our board of directors declared a quarterly dividend of 25 cents per common share, payable on October 6, 2014 to shareholders of record as of August 18, 2014.

Liquidity and Capital Resources

Restrictions on Dividends to Koppers Holdings

Koppers Holdings depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of any declared dividend of Koppers Holdings. Koppers Inc.’s credit agreement prohibits it from making dividend payments to us unless (1) such dividend payments are permitted by the indenture governing Koppers Inc.’s Senior Notes and (2) no event of default or potential default has occurred or is continuing under the credit agreement. The indenture governing Koppers Inc.’s Senior Notes restricts its ability to finance our payment of dividends if (1) a default has occurred or would result from such financing, (2) a restricted subsidiary of Koppers Inc. which is not a guarantor under the indenture is not able to incur additional indebtedness (as defined in the indenture), and (3) the sum of all restricted payments (as defined in the indenture) have exceeded the permitted amount (which we refer to as the “basket”) at such point in time.

The basket is governed by a formula based on the sum of a beginning amount, plus or minus a percentage of Koppers Inc.’s consolidated net income (as defined in the indenture), plus the net proceeds of Koppers Inc.’s qualified stock issuance or conversions of debt to qualified stock, plus the net proceeds from the sale of or a reduction in an investment (as defined in the indenture) or the value of the assets of an unrestricted subsidiary which is designated a restricted subsidiary. At June 30, 2014 the basket totaled $214.9 million. Notwithstanding such restrictions, the indenture governing Koppers Inc.’s Senior Notes permits an additional aggregate amount of $20.0 million each fiscal year to finance dividends on the capital stock of Koppers Holdings, whether or not there is any basket availability, provided that at the time of such payment, no default in the indenture has occurred or would result from financing the dividends.

In addition, certain required coverage ratios in Koppers Inc.’s revolving credit facility may restrict the ability of Koppers Inc. to pay dividends. See “—Debt Covenants.”

Liquidity

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $350.0 million at variable interest rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends and investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

As of June 30, 2014, we had $284.4 million of unused revolving credit availability for working capital purposes after restrictions by various debt covenants and certain letter of credit commitments. As of June 30, 2014, $41.1 million of commitments were utilized by outstanding letters of credit.

The following table summarizes our estimated liquidity as of June 30, 2014 *(dollars in millions)*:

Cash and cash equivalents[(1)]	$ 54.4
Amount available under revolving credit facility	284.4
Amount available under other credit facilities	6.0
Total estimated liquidity	$344.8

(1) Cash includes approximately $54 million held by foreign subsidiaries, which if repatriated to the United States, would incur an estimated cash tax cost of approximately $16 million.

Our estimated liquidity was $451.4 million at December 31, 2013.

In June 2012, we filed a registration statement on Form S-3 with the Securities and Exchange Commission which gives us the ability to offer common stock, debt securities, preferred stock, depositary shares, warrants and units (or a combination of these securities) from time to time in one or more offerings. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. This registration statement expires on June 26, 2015.

Our need for cash in the next twelve months relates primarily to contractual obligations which include the acquisition of the wood preservation and railroad services businesses of Osmose Holdings, Inc. (the “Osmose Acquisition”), debt service, purchase commitments and operating leases, as well as working capital, capital maintenance programs, the funding of our new coal tar distillation facility in China, and mandatory and voluntary defined benefit plan funding. We may also use cash to pursue other potential strategic acquisitions. Capital expenditures in 2014, excluding acquisitions and the construction of a new coal tar facility in China, are expected to total approximately $46 million. In October 2012, a subsidiary of the Company signed an agreement to construct a coal tar distillation facility in China. Construction of the Company’s new coal tar distillation facility in China was completed in July 2014. The Company’s remaining expected capital spending for the majority-owned facility is approximately $16 million and will be financed by available cash and incremental financing from a third party bank and the shareholder of the non-controlling interest. We believe that our cash flow from operations and available borrowings under the revolving credit facility will be sufficient to fund our anticipated liquidity requirements for at least the next twelve months, excluding the Osmose Acquisition. In the event that the foregoing sources are not sufficient to fund our expenditures and service our indebtedness, we would be required to raise additional funds.

The Osmose Acquisition’s base purchase price of $460 million is expected to be financed by a new $500 million revolving credit facility that replaces the existing $350.0 million revolving credit facility. In addition, we expect to issue a five to seven year amortizing term loan totaling approximately $300 million. The existing $300.0 million principal value Senior Notes due 2019 will remain in place and will be ratably secured by the new revolving credit facility and term loan.

Debt Covenants

The covenants that affect availability of the revolving credit facility and which may restrict the ability of Koppers Inc. to pay dividends include the following financial ratios:

- The fixed charge coverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to be less than 1.10. The fixed charge coverage ratio at June 30, 2014 was 1.4.
- The leverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to exceed 4.0. The leverage ratio at June 30, 2014 was 2.37.

We are currently in compliance with all covenants in the credit agreement governing the revolving credit facility.

At June 30, 2014, Koppers Inc. had $300.0 million principal value outstanding of Senior Notes. The Senior Notes include customary covenants that restrict, among other things, our ability to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets or enter into various transactions with affiliates. We are currently in compliance with all covenants in the Senior Notes indenture.

Legal Matters

The information set forth in Note 17 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of this Part I is incorporated herein by reference.

Recently Issued Accounting Guidance

The information set forth in Note 21 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of this Part I is incorporated herein by reference.

Critical Accounting Policies

There have been no material changes to the Company's critical accounting policies as disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Environmental and Other Matters

The information set forth in Note 17 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of Part I is incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There are no material changes to the disclosure on this matter made in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

ITEM 4. CONTROLS AND PROCEDURES

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of the end of the period covered by this report. There was no change in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 17 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of Part I of this report is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes to the Risk Factors previously disclosed in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

No shares were repurchased in the quarter ended June 30, 2014 under the current $75 million share repurchase program approved in November 2011. The approximate dollar value of common shares that may yet be purchased under this program is $52.8 million. The repurchase program has no expiration date.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Effective August 6, 2014, the Board of Directors of Koppers Holdings approved the amendment and restatement of the Amended and Restated Bylaws of Koppers Holdings (the “Amended and Restated Bylaws”). The changes are intended to address what the Company believes are current best practices in corporate governance.

As revised, Article II of the Amended and Restated Bylaws modernizes the manner and timing of giving notices of meetings. Consistent with other comparable public companies, Article II provides that notice of a meeting may be given by, among other methods, e-mail or other electronic communication. Such communication is deemed to have been given when sent. Article II requires notice of meetings of the Board of Directors to be given 24 hours in advance (in the case of notice by telephone, facsimile transmission, e-mail, or other electronic communication), 48 hours in advance (in the case of notice by telegraph, courier service, or express mail), or five days (in the case of notice by first class mail). Article II also requires notice of meetings of shareholders of the Company to be given ten days prior to a meeting called to consider a fundamental change or five days prior to a meeting in any other case.

Article III of the Amended and Restated Bylaws updates and modernizes, in a manner consistent with other comparable public companies, the procedures by which shareholders may propose candidates to stand for election as a director of the Company. Article III specifies the procedures shareholders must follow in order to propose candidates, including requirements as to the form of notice to be delivered to the Company, the information required regarding each candidate and proposing shareholder or shareholders, the proposing shareholder or shareholders’ compliance with state and federal laws, and the information and certifications that must be provided by the candidate in order for the candidate to be eligible for nomination and election. Article III requires shareholders to provide the nomination notice and other materials relating to the nomination, in the case of an annual meeting of shareholders, by the later of (1) not less than 90 nor more than 120 days prior to the date of such meeting (unless a different date is stated in the Company’s most recent proxy materials) or (2) in the event the meeting date changes from the third Wednesday of April, the close of business on the tenth day following the first public disclosure of the date of such meeting.

Article III of the Amended and Restated Bylaws also updates and modernizes, in a manner consistent with other comparable public companies, the procedures by which shareholders must provide advance notice to the Company for business to be proposed by shareholders for consideration at the Company’s annual meeting (other than with respect to nominations of persons to stand for election as a director of the Company). Article III specifies the procedures shareholders must follow in order to propose business, including requirements as to the form of notice to be delivered to the Company. Article III requires shareholders to provide notice and other materials relating to the proposal by the later of (1) not less than 90 nor more than 120 days prior to the date of the annual meeting of shareholders (unless a different date is stated in the Company’s most recent proxy materials) or (2) in the event the meeting date changes from the third Wednesday of April, the close of business on the tenth day following the first public disclosure of the date of such meeting.

Article VIII of the Amended and Restated Bylaws provides that, unless the Company consents in writing otherwise, the state courts of the Commonwealth of Pennsylvania in and for Allegheny County or the federal courts of the Western District of Pennsylvania are the sole and exclusive forum for the resolution of certain specified disputes. This change will ensure the consistent consideration of issues, including the interpretation and application of Pennsylvania law to the Company’s internal affairs. In addition, as the Company and its subsidiaries maintain operations worldwide, Article VIII will reduce or eliminate the duplicative nature of multi-forum litigation and its associated costs and difficulties to which the Company could be subject.

The Amended and Restated Bylaws also include a number of administrative, technical, and conforming changes. The foregoing summary is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, filed as Exhibit 3.2 to this report and incorporated by reference herein.

ITEM 6. EXHIBITS

2.3*	Stock Purchase Agreement by and among Osmose Holdings, Inc., Osmose, Inc., Osmose Railroad Services, Inc., and Koppers Inc., dated as of April 13, 2014.
3.2*	Amended and Restated Bylaws of Koppers Holdings Inc., as amended on August 6, 2014.
10.92*	Agreement and General Release by and between Brian H. McCurrie and Koppers Inc., dated as of July 29, 2014.
10.93*	Koppers Inc. Supplemental Executive Retirement Plan II, as amended and restated.
10.94*	Commitment Letter by and among Koppers Inc., PNC Capital Markets LLC and PNC Bank, National Association, dated as of April 13, 2014.
12.1*	Computation of ratio of earnings to fixed charges
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

SIGNATURES

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

KOPPERS HOLDINGS INC.
(REGISTRANT)

Date: August 7, 2014

By: /S/ LEROY M. BALL
Leroy M. Ball
Chief Operating Officer and Chief Financial Officer
(Principal Financial Officer,
Principal Accounting Officer and Duly Authorized Officer)

Exhibit 2.3

EXECUTION VERSION

STOCK PURCHASE AGREEMENT

by and among

OSMOSE HOLDINGS, INC.,

OSMOSE, INC.,

OSMOSE RAILROAD SERVICES, INC.

and

KOPPERS INC.

Dated as of April 13, 2014

Table of Contents

Exhibits:

Exhibit A – Form of Escrow Agreement
Exhibit B – Form of Patent License Agreement
Exhibit C – Form of Professional Services Agreement
Exhibit D – Form of Trademark License Agreement
Exhibit E – Form of Transition Services Agreement

Schedules:

Schedule A – Restructuring
Schedule 1.02(b)(i) – Net Working Capital Line Items
Schedule 2.01(l) – Required Consents
Schedule 2.01(n) – Required Resignations
Schedule 6.08(b) – Audited Financial Statements Requirements

Disclosure Schedules:

Schedule 3.03 – Ownership of Shares
Schedule 4.01 – Jurisdictions
Schedule 4.02 – Subsidiaries
Schedule 4.04(a) – No Breach
Schedule 4.04(b) – Consents
Schedule 4.05 – Capital Stock
Schedule 4.06(a) – Financial Statements
Schedule 4.06(d) – Internal Controls
Schedule 4.06(e) – Undisclosed Liabilities
Schedule 4.07(b) – Absence of Certain Developments
Schedule 4.08(a) – Personal Property
Schedule 4.08(b) – Leased Real Property
Schedule 4.08(c) – Owned Real Property
Schedule 4.08(e) – Condition and Use
Schedule 4.09 – Tax Matters
Schedule 4.10(a) – Material Contracts
Schedule 4.10(b) – Contracts and Commitments
Schedule 4.11(a) – Intellectual Property Rights
Schedule 4.11(b) – Intellectual Property Rights
Schedule 4.11(c)(i) – Intellectual Property Rights
Schedule 4.11(c)(ii) – Intellectual Property Rights
Schedule 4.11(f) – Certain Patent
Schedule 4.11(g) – Non-Related Intellectual Property
Schedule 4.12 – Litigation

Schedule 4.13(a) – Employee Benefit Plans
Schedule 4.13(e) – Accelerated Vesting
Schedule 4.13(f) – Foreign Plans
Schedule 4.14 – Insurance
Schedule 4.16 – Environmental Matters
Schedule 4.17 – Affiliated Transactions
Schedule 4.18 – Employment and Labor Matters
Schedule 4.20(a) – Accounts Receivable
Schedule 4.20(b) – Customers
Schedule 4.20(c) – Suppliers
Schedule 4.21 – Governmental Authorizations
Schedule 4.22 – Inventory
Schedule 4.24 – Disclosed Real Property
Schedule 4.25 – Warranty and Product Liability
Schedule 4.26 – Indebtedness
Schedule 4.27 – Brokerage
Schedule 6.01 – Conduct of Business
Schedule 6.08(b) – Audited Financial Statements Requirements
Schedule 6.10 – Intercompany Accounts and Intercompany Arrangements
Schedule 6.14 – Release of Security
Schedule 7.03 – M&A Qualified Beneficiaries
Schedule 7.08(b) – Restricted Persons
Schedule 7.10 – Property A and Property B
Schedule 11.1 – Known Environmental Conditions
Schedule 11.2 – Liabilities Associated with Real Property of Acquired Companies
Schedule 11.3 – Designated Copper Hedging Contracts
Schedule 11.4 – Permitted Liens
Schedule 11.5 – Site-by-Site Environmental Reserves

The exhibits, schedules, and disclosure schedules to this agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted exhibit, schedule, and/or disclosure schedule will be furnished to the SEC upon request.

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "Agreement") is made as of April 13, 2014, by and among Koppers Inc., a Pennsylvania corporation ("Buyer"), Osmose, Inc., a New York corporation ("Osmose Chemicals"), Osmose Railroad Services, Inc., a Delaware corporation ("Osmose Railroad," and, together with Osmose Chemicals, the "Osmose Entities"), and Osmose Holdings, Inc., a Delaware corporation ("Seller"). Capitalized terms used and not otherwise defined have the respective meanings set forth in Article 11 below.

WHEREAS, Seller owns all of the issued and outstanding equity interests of the Osmose Entities, consists of 774,254 shares of common stock, par value $0.10 per share, of Osmose Chemicals and 100 shares of common stock, par value $1.00 per share, of Osmose Railroad (collectively, the "Shares");

WHEREAS, Osmose Chemicals is in the business of manufacturing wood preservation chemicals for use in treating lumber (the "WPG Business"), and Osmose Railroad is in the business of providing railroad bridge inspection, treatment, repair, design, and construction services (the "ORS Business," and, collectively with the WPG Business, the "Transferred Business");

WHEREAS, prior to the Closing, Seller will effect a restructuring (the "Restructuring") designed to divest from the Osmose Entities certain assets and liabilities which shall not be transferred with the Transferred Business (such assets and liabilities, together with any other assets, liabilities, or businesses of Seller and its other Subsidiaries, the "Excluded Business"), and to transfer to the Osmose Entities certain assets of Seller and certain of its other Subsidiaries that are used in or otherwise related to the Transferred Business, all as described in more detail on Schedule A;

WHEREAS, the corporate organizational chart of the Acquired Companies at the Closing and after giving effect to the Restructuring will be as set forth on Schedule A; and

WHEREAS, upon the terms and subject to the conditions set forth herein, Buyer desires to acquire from Seller all of the Shares, and Seller desires to sell to Buyer all of such Shares.

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

ARTICLE 1

PURCHASE AND SALE OF SHARES

1.01 Purchase and Sale of Shares. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and acquire from Seller, all of the Shares in exchange for the payment in cash by Buyer to Seller (in the manner provided in Section 1.04) of the

Closing Consideration. Payment for the Shares shall be made on the Closing Date by wire transfer of immediately available funds to accounts specified by Seller to Buyer at least two (2) Business Days prior to the Closing.

1.02 Purchase Price; Pre-Closing Estimates; Closing Consideration.

(a) Purchase Price; Closing Consideration. The aggregate purchase price for the Shares is the Closing Consideration, as adjusted pursuant to Section 1.05 (the "Purchase Price"). For purposes of this Agreement, "Closing Consideration" means an amount equal to: (i) $460,000,000, plus (ii) any Estimated Cash, plus (iii) the amount, if any, by which the Estimated Net Working Capital exceeds the Net Working Capital Target, minus (iv) the amount, if any, by which the Estimated Net Working Capital is less than the Net Working Capital Target, minus (v) the Estimated Osmose Unpaid Transaction Expenses, minus (vi) Estimated Indebtedness, minus (vii) the Assumed Non-Compete Obligations, plus (viii) Estimated Net Breakage Costs, if any, and minus (ix) Estimated Net Breakage Benefits, if any.

(b) Pre-Closing Adjustments. At least three (3) Business Days prior to the Closing Date, Seller shall deliver to Buyer an officer's certificate, signed by the Chief Financial Officer of Seller, that sets forth Seller's good faith estimates (the "Pre-Closing Estimates") of:

(i) the Net Working Capital as of the close of business on the last Business Day immediately preceding the Closing Date, taking into account only those line item inclusions and exclusions set forth on Schedule 1.02(b)(i) (the "Estimated Net Working Capital");

(ii) the amount of Cash as of the close of business on the last Business Day immediately preceding the Closing Date (the "Estimated Cash");

(iii) the amount of Indebtedness outstanding as of immediately prior to the Closing (the "Estimated Indebtedness"), if any;

(iv) the amount of Net Breakage Benefits, if any, outstanding as of immediately prior to the Closing (the "Estimated Net Breakage Benefits"), and the amount of Net Breakage Costs, if any, outstanding as of immediately prior to the Closing (the "Estimated Net Breakage Costs"); and

(v) the amount of Osmose Unpaid Transaction Expenses as of immediately prior to the Closing (the "Estimated Osmose Unpaid Transaction Expenses"), if any.

1.03 The Closing. The closing of the transactions contemplated by this Agreement (other than the Restructuring) (the "Closing") shall take place at the offices of K&L Gates LLP, located at 210 Sixth Avenue, Pittsburgh, Pennsylvania, on the third (3rd) Business Day following satisfaction or waiver of all of the closing conditions set forth in Article 2 hereof (other than those to be satisfied at the Closing, but subject to the satisfaction of such conditions), or on such other date as is mutually agreeable in writing to Buyer and Seller; provided, however,

that, if the Marketing Period has not ended at the time of the satisfaction or waiver of the conditions set forth in Article 2 hereof (other than those to be satisfied at the Closing), then, subject to the continued satisfaction or waiver of the conditions set forth in Article 2 at such time, at the option of Buyer, the Closing shall occur instead on the earliest of (a) any Business Day during the Marketing Period as may be specified by Buyer on no less than three (3) Business Days' prior written notice to Seller, or (b) the third (3rd) Business Day after the final day of the Marketing Period, or, if the final day of the Marketing Period corresponds to the Outside Date, then on the final day of the Marketing Period provided, further, that in any event the Closing shall take place on the first Business Day that immediately follows a Business Day. The date of the Closing is herein referred to as the "Closing Date." The Closing shall be deemed to occur at, and the calculation of the Closing Consideration shall be made as of, 12:01 a.m. Pittsburgh time on the Closing Date.

1.04 Payments at Closing. At the Closing, Buyer will make the following payments:

(a) Closing Consideration. Buyer will pay the Closing Consideration as follows:

(i) an amount equal to $23,000,000 (the "General Escrow Amount") will be deposited in an escrow account (the "General Escrow Account") in accordance with the Escrow Agreement, and an amount equal to $5,000,000 (the "Special Escrow Amount") will be deposited in a separate escrow account (the "Special Escrow Account") in accordance with the Escrow Agreement; and

(ii) the remainder of the Closing Consideration (after deducting the General Escrow Amount and the Special Escrow Amount) will be delivered to Seller by wire transfer or delivery of other immediately available funds to an account designated by Seller.

(b) Estimated Indebtedness. On behalf of the Acquired Companies, Buyer will deliver payment to the appropriate Persons in respect of the Indebtedness of the Acquired Companies, if any, included in the Estimated Indebtedness, which shall be paid pursuant to payoff letters or invoices delivered by such Persons to Buyer and the Acquired Companies in form and substance reasonably satisfactory to Buyer and Seller, except for such Indebtedness, if any, that Buyer and Seller agree will remain in place following the Closing.

(c) Estimated Osmose Unpaid Transaction Expenses. On behalf of the Osmose Entities and Seller and at the direction of Seller, Buyer will deliver payment to the appropriate Persons in respect of the Osmose Unpaid Transaction Expenses in the amounts indicated in writing by Seller at or prior to the Closing, by wire transfer or delivery of other immediately available funds to the accounts designated by Seller. The parties acknowledge that the Osmose Unpaid Transaction Expenses are obligations of the Osmose Entities, incurred on or before the Closing Date, and nothing in this Agreement shall be deemed to make them obligations of Buyer. Payment of such Osmose Unpaid Transaction Expenses by Buyer on behalf of the Osmose Entities on the Closing Date is being made for convenience only. Further,

any compensation or other expense attributable to the payment of the Osmose Unpaid Transaction Expenses shall be deemed to have been recognized by the Osmose Entities on or prior to the Closing Date for all Tax purposes.

1.05 Post-Closing Purchase Price Adjustment.

(a) As promptly as possible, but in any event within 90 days after the Closing Date, Buyer will deliver to Seller (i) an unaudited, combined balance sheet of the Acquired Companies as of the Closing Date and (ii) its calculation of the Net Working Capital as of the close of business on the last Business Day immediately preceding the Closing Date (the "Closing Net Working Capital"), Indebtedness as of immediately prior to the Closing (the "Closing Indebtedness"), Net Breakage Benefits as of immediately prior to the Closing, if any (the "Closing Net Breakage Benefits"), Net Breakage Costs as of immediately prior to the Closing, if any (the "Closing Net Breakage Costs"), Cash as of the close of business on the last Business Day immediately preceding the Closing Date (the "Closing Cash"), and Osmose Unpaid Transaction Expenses as of immediately prior to the Closing (the "Closing Osmose Unpaid Transaction Expenses"), in each case, duly certified by Buyer as accurately setting forth Buyer's good faith determination of the information set forth therein, and together, in each case, with all supporting documentation (together, the "Closing Statement"). The Closing Statement shall be prepared in a manner consistent with the applicable definition of the terms "Net Working Capital," "Indebtedness," "Net Breakage Benefits," "Net Breakage Costs," "Cash," and "Osmose Unpaid Transaction Expenses" set forth in this Agreement, GAAP, and in a manner consistent with, and using the same principles, policies, methods and practices (including as to reserves and accruals) used in, the preparation of the Latest Balance Sheet. The Closing Statement shall entirely disregard (x) any and all effects on the Assets or Liabilities of the Acquired Companies as a direct result of the transactions contemplated hereby (other than the Restructuring) or of any financing or refinancing arrangements entered into at any time by Buyer or any other transaction entered into by Buyer in connection with the consummation of the transactions contemplated hereby, and (y) any of the plans, transactions or changes which Buyer intends to initiate or make or cause to be initiated or made after the Closing with respect to the Acquired Companies or their business or Assets, or any facts or circumstances that are unique or particular to Buyer or any of its assets or Liabilities.

(b) Buyer and the Acquired Companies shall grant Seller and its authorized representatives reasonable access to all such papers and documents and all such personnel as it or its representatives may reasonably request, and Seller shall have up to 30 days after receiving the Closing Statement to review the Closing Statement (the "Review Period"); provided that, in the event Buyer or the Acquired Companies do not provide any papers or documents or access to personnel reasonably requested by Seller or any of its authorized representatives within five (5) Business Days of request therefor (or such shorter period as may remain in the Review Period), the Review Period shall be extended by five (5) Business Days plus one (1) Business Day for each additional day required for Buyer and the Acquired Companies to fully respond to such request.

(c) If Buyer fails to deliver to Seller the Closing Statement within the period prescribed by Section 1.05(a), the Pre-Closing Estimates as indicated by Seller

pursuant to Section 1.02(b) shall be deemed to be Final Net Working Capital, Final Cash, Final Indebtedness, Final Net Breakage Benefits, Final Net Breakage Costs and Final Osmose Unpaid Transaction Expenses, respectively, and such amounts shall be deemed by the parties hereto to be final, binding and non-appealable. If Seller confirms its acceptance of the Closing Statement within the Review Period or has not objected in writing to the calculation of the Net Working Capital, Cash, Indebtedness, Final Net Breakage Benefits, Final Net Breakage Costs and Osmose Unpaid Transaction Expenses on the Closing Statement by the end of the Review Period, the Closing Statement and all calculations therein as prepared by Buyer shall be deemed to be Final Net Working Capital, Final Cash, Final Indebtedness, Final Net Breakage Benefits, Final Net Breakage Costs and Final Osmose Unpaid Transaction Expenses, and such amounts shall be deemed by the parties hereto to be final, binding and non-appealable.

(d) If Seller has any objections to the Closing Statement, Seller shall deliver to Buyer a statement (an "Objections Statement") setting forth those items to which Seller objects (the "Disputed Items"). Seller and Buyer shall negotiate in good faith to resolve the Disputed Items, but if they do not reach a final resolution within 30 days after the delivery of the Objections Statement to Buyer, Seller and Buyer shall submit any unresolved Disputed Items to PricewaterhouseCoopers LLP ("PWC"); provided that, if PWC is unable or unwilling to serve in such capacity, Seller and Buyer shall submit any unresolved Disputed Items to an alternative mutually agreed upon independent accounting or valuation firm of national reputation (PWC or such alternative firm, the "Independent Referee"). Each party may furnish to the Independent Referee such information and documents as it deems relevant, with copies of such submission and all such documents and information being concurrently given to the other party. The Independent Referee shall resolve each item of disagreement based solely on the supporting material provided by Buyer and Seller and not pursuant to any independent review and may not assign a value to any particular item greater than the greatest value for such item claimed by either party or less than the lowest value for such item claimed by either party, in each case as presented to the Independent Referee. Seller and Buyer shall use their respective commercially reasonable efforts to cause the Independent Referee to resolve such unresolved Disputed Items and notify them in writing of such resolution as soon as practicable, but in any event within 30 days after the date on which the Independent Referee is first retained. The decision of the Independent Referee regarding each of the Disputed Items shall be final, binding and non-appealable by the parties hereto. Each party shall bear its own costs and expenses in connection with the resolution of such dispute by the Independent Referee. The fees, costs, and expenses of the Independent Referee shall be (i) paid by Seller if the items covered in the Objections Statement are resolved in favor of Buyer, or (ii) by Buyer, if the items covered in the Objections Statement are resolved in favor of Seller. If the items covered in the Objections Statement are resolved in part in favor of Seller and in part in favor of Buyer, such fees, costs and expenses shall be allocated between Seller and Buyer in inverse proportion as Seller and Buyer may prevail on matters resolved by the Independent Referee, which proportionate allocations shall be determined by the Independent Referee. Seller and Buyer shall, and Buyer shall cause the Acquired Companies to, cooperate fully with the Independent Referee and respond on a reasonably timely basis to all requests for information or access to documents or personnel made by the Independent Referee, all with the intent to fairly and in good faith resolve all Disputed Items as promptly as reasonably practicable. Once all Disputed Items are resolved, the calculation of the Net Working Capital, Cash, Indebtedness, Net Breakage Benefits, Net

Breakage Costs and Osmose Unpaid Transaction Expenses on the Closing Statement shall be adjusted, as appropriate, to reflect (a) any resolution of Disputed Items as agreed between Buyer and Seller or (b) any determination of Disputed Items by the Independent Referee, and the Closing Statement and the calculations therein (in each case, as so adjusted) shall become Final Net Working Capital, Final Cash, Final Indebtedness, Final Net Breakage Benefits, Final Net Breakage Costs and Final Osmose Unpaid Transaction Expenses and be deemed by the parties hereto final, binding and non-appealable.

(e) If Final Net Working Capital, Final Cash, Final Indebtedness, Final Net Breakage Benefits, Final Net Breakage Costs or Final Osmose Unpaid Transaction Expenses differs from the Estimated Net Working Capital, Estimated Cash, Estimated Indebtedness, Estimated Net Breakage Benefits, Estimated Net Breakage Costs and Estimated Osmose Unpaid Transaction Expenses, respectively, as the case may be, the Purchase Price shall be adjusted (the "Post-Closing Purchase Price Adjustment") such that:

(i) If (A) Final Net Working Capital plus Final Cash minus Final Indebtedness minus Final Net Breakage Benefits plus Final Net Breakage Costs minus Final Osmose Unpaid Transaction Expenses is greater than (B) Estimated Net Working Capital plus Estimated Cash minus Estimated Indebtedness minus Estimated Net Breakage Benefits plus Estimated Net Breakage Costs minus Estimated Osmose Unpaid Transaction Expenses (such excess, the "Purchase Price Adjustment Surplus"), and the amount of the Purchase Price Adjustment Surplus is greater than $3,000,000 (the "Collar Amount"), then, within five (5) Business Days after the determination of the Final Net Working Capital, Final Cash, Final Indebtedness, Final Net Breakage Benefits, Final Net Breakage Costs and Final Osmose Unpaid Transaction Expenses (and if such determinations are made on different dates, then from the latest of such dates) (the "Purchase Price Adjustment Determination Date"), Buyer shall pay to Seller, by wire transfer of immediately available funds, an amount equal to the Purchase Price Adjustment Surplus.

(ii) If (A) Final Net Working Capital plus Final Cash minus Final Indebtedness minus Final Net Breakage Benefits plus Final Net Breakage Costs minus Final Osmose Unpaid Transaction Expenses is less than (B) Estimated Net Working Capital plus Estimated Cash minus Estimated Indebtedness minus Estimated Net Breakage Benefits plus Estimated Net Breakage Costs minus Estimated Osmose Unpaid Transaction Expenses (such shortfall, the "Purchase Price Adjustment Shortfall"), and the amount of the Purchase Price Adjustment Shortfall is greater than the Collar Amount, then, within five (5) Business Days after the Purchase Price Adjustment Determination Date, Seller shall pay to Buyer, by wire transfer of immediately available funds, an amount equal to the Purchase Price Adjustment Shortfall; provided, that in lieu of seeking such payment from Seller, the unpaid balance due may, at the sole discretion of Seller, be satisfied promptly upon notice to the Escrow Agent of such election from the General Escrow Amount.

(iii) If (A) the Purchase Price Adjustment Surplus or (B) the Purchase Price Adjustment Shortfall, as applicable, is equal to or less than the Collar Amount, then neither Buyer nor Seller (or the Escrow Agent, if applicable) shall be obliged to make any payment to the other pursuant to this Section 1.05(e).

(f) All payments required pursuant to Article 1 shall be deemed to be adjustments, for Tax purposes, to the Purchase Price, to the extent permitted by applicable Law.

(g) Each party hereto will be entitled to deduct and withhold from any payment made pursuant to this Agreement such amounts as such party is required to deduct and withhold with respect to the making of such payment under the Code or any Law; provided that, other than compensatory payments, if a party hereto determines that an amount is required to be deducted and withheld with respect to any payment, as soon as practicable prior to the date the applicable payment is scheduled to be made, such party shall provide the recipient written notice of the intent to deduct and withhold, which shall include a copy of the calculation of the amount to be deducted and withheld so as to provide the recipient of such payment an opportunity to provide forms or other evidence that would exempt such amounts from withholding. To the extent that amounts are so withheld and timely paid to a Governmental Body by such party with respect to any payment to any Person hereunder, such withheld amounts will be treated for all purposes under this Agreement as having been paid to such Person.

ARTICLE 2

CONDITIONS PRECEDENT TO CLOSING

2.01 Conditions to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions as of the Closing Date (any one or more of which may be waived in writing at the option of Buyer):

(a) The representations and warranties of Seller set forth in Sections 3.01 (Authorization; Valid and Binding Agreement), 3.03 (Ownership), 4.01 (Organization and Corporate Power), 4.02 (Subsidiaries), 4.03 (Authorization; Valid and Binding Agreement), and 4.05 (Capital Stock) shall be true and correct in all respects as of the date hereof and as of the Closing Date as though made as of such time. The representations and warranties of Seller contained in this Agreement other than those set forth in the preceding sentence (i) that are qualified as to materiality (including a Material Adverse Effect qualification) shall be true and correct, as of the date hereof and as of the Closing Date, as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality (including a Material Adverse Effect qualification) shall be true and correct on and as of such earlier date), and (ii) that are not qualified as to materiality (including a Material Adverse Effect qualification) shall be true and correct in all material respects as of the date hereof and as of the Closing Date as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations not qualified as to materiality shall be true and correct in all material respects on and as of such earlier date).

(b) Seller shall have duly performed in all material respects all of the obligations, agreements, and covenants required to be performed by Seller under this Agreement at or prior to the Closing.

(c) The consummation of the transactions contemplated hereby shall not be prohibited by any Law, and no Governmental Body shall have instituted a proceeding or made an Order or decision at or prior to the Closing which would reasonably be expected to have the effect of prohibiting or materially delaying the consummation of the transactions contemplated hereby in any jurisdiction.

(d) The applicable waiting periods, if any, under the HSR Act and any comparable applicable foreign competition or antitrust Laws applicable to the transactions contemplated by this Agreement, shall have expired or been terminated or approval for the consummation of the transactions contemplated hereby shall have been granted by the relevant competition or antitrust authority or authorities.

(e) Since the date of this Agreement, there has not been a Material Adverse Effect.

(f) The Restructuring has been completed as set forth on Schedule A.

(g) Seller and the Osmose Entities shall have delivered to Buyer each of the following:

(i) certificates, duly executed by a duly authorized officer of Seller and each Osmose Entity, dated the Closing Date, certifying that the conditions specified in Sections 2.01 (a), (b), and (f) have been satisfied;

(ii) certificates, duly executed by the secretary of Seller and each Osmose Entity, dated the Closing Date, certifying (A) that true, complete, and certified copies of such Person's Organizational Documents, as in effect on the Closing Date, are attached to such certificate, (B) as to the incumbency of each officer executing any of the Transaction Documents to which such Person is a party, (C) as to the genuineness of the resolutions of the board of directors or shareholders of such Person authorizing the execution, delivery and performance by such Person of the Transaction Documents to which such Person is a party, and the consummation of all transactions contemplated hereby and thereby, and (D) in the case of Seller, that certificates of good standing in the jurisdiction of organization of each of the Acquired Companies, in each case dated within 10 days of the Closing Date, are attached to such certificate;

(iii) each of the Patent License Agreement and the Trademark License Agreement, each duly executed by Seller and its Affiliates party thereto;

(iv) the Escrow Agreement, duly executed by Seller;

(v) the FIRPTA Certificate, duly executed by Seller;

(vi) the Transition Services Agreement, duly executed by Seller; and

(vii) the Professional Services Agreement, duly executed by Seller.

(h) Buyer shall have received the stock certificates representing the Shares, accompanied by duly executed stock powers.

(i) Buyer shall have received all stock certificates representing all of the issued and outstanding shares of each Subsidiary of each of the Osmose Entities.

(j) Buyer shall have received payoff letters from each of the Persons to be repaid pursuant to Section 1.04(b) that set forth (A) the amount required to repay, as of the Closing Date, all outstanding principal, interest, and other amounts due and owning with respect to any Indebtedness as of immediately prior to the Closing owed to such Person, (B) wire transfer or other payment instructions for the repayment of such amounts by Buyer at the Closing in accordance with Section 1.04(b) of this Agreement, and (C) the agreement of such Person that, upon its receipt of such payoff amount from Buyer, all Liabilities owed by the relevant Acquired Company to such Person will be satisfied in full.

(k) Buyer shall have received duly prepared and filed or have appropriate authorization to prepare and file, termination statements, as prescribed by the Uniform Commercial Code or other similar Laws in effect in the relevant jurisdictions by each creditor or other Person that has a Lien (other than Permitted Liens) against any Asset.

(l) Buyer shall have received copies of all Consents set forth on Schedule 2.01(l) (the "Required Consents").

(m) Buyer shall have received evidence of termination of any Contracts with Seller Affiliated Parties and the settlement of any outstanding amounts owed or payable to Seller Affiliated Parties, each as described on Schedule 4.17 of the Disclosure Schedules, in form and substance reasonably satisfactory to Buyer.

(n) Buyer shall have received irrevocable resignations of each director or officer of the Acquired Companies listed on Schedule 2.01(n), to be effective as of the Closing Date, in form and substance reasonably satisfactory to Buyer.

(o) The Audited Financial Statements (with footnotes and other customary presentation items), together with one report from Deloitte without qualification, limitation of scope, or exception of Deloitte (except for limited component references in respect of those Acquired Companies not organized in the United States regarding the fact that a portion of such audit was not performed by Deloitte) with respect thereto, shall have been delivered by Seller to Buyer, provided that with respect to each of those Acquired Companies not organized in the United States to which such component references relate, Seller shall provide true and correct

copies of the audited balance sheets as of December 31, 2013 and 2012 and the related audited statements of income, stockholder's equity and cash flows of each such Acquired Company for the years ended December 31, 2011, December 31, 2012, and December 31, 2013 (with footnotes and other customary presentation items), together with reports without qualification, limitation of scope, or exception from the applicable local auditors for each such Acquired Company (which reports and the related auditor's name will not be publicly disclosed by Buyer without such auditor's prior written consent).

(p) Buyer shall have received an assignment or endorsement, as applicable, assigning the PLL Policy (or the relevant portions thereof covering the Acquired Companies and the Transferred Business) to Buyer and naming Buyer as lead named insured with respect to the PLL Policy (or the relevant portions thereof covering the Acquired Companies and the Transferred Business), in form and substance reasonably satisfactory to Buyer.

If the Closing occurs, all closing conditions set forth in this Section 2.01 which have not been fully satisfied as of the Closing shall be deemed to have been waived by Buyer.

2.02 Conditions to Seller and the Osmose Entities Obligations. The obligations of the Osmose Entities and Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions as of the Closing Date (any one or more of which may be waived in writing at the option of Seller):

(a) The representations and warranties of Buyer set forth in Sections 5.01 (Organization and Power) and 5.02 (Authorization; Valid and Binding Agreement) shall be true and correct in all respects as of the date hereof and as of the Closing Date as though made as of such time. The representations and warranties of Buyer contained in this Agreement other than those set forth in the preceding sentence (i) that are qualified as to materiality (including a Material Adverse Effect qualification) shall be true and correct, as of the date hereof and as of the Closing Date, as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality (including a Material Adverse Effect qualification) shall be true and correct on and as of such earlier date), and (ii) that are not qualified as to materiality (including a Material Adverse Effect qualification) shall be true and correct in all material respects as of the date hereof and as of the Closing Date as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations not qualified as to materiality shall be true and correct in all material respects on and as of such earlier date).

(b) Buyer shall have duly performed in all material respects all of the obligations, agreements and covenants required to be performed by it under this Agreement at or prior to the Closing.

(c) The consummation of the transactions contemplated hereby shall not be prohibited by any Law, and no Governmental Body shall have instituted a proceeding or made an Order or decision at or prior to the Closing which would reasonably be expected to have the effect of prohibiting or materially delaying the consummation of the transactions contemplated hereby in any jurisdiction.

(d) The applicable waiting periods, if any, under the HSR Act, and any comparable applicable foreign competition or antitrust Laws applicable to the transactions contemplated by this Agreement, shall have expired or been terminated or approval for the consummation of the transactions contemplated hereby shall have been granted by the relevant competition or antitrust authority or authorities.

(e) Buyer shall, concurrently with the Closing, make the payments set forth in Section 1.01 to be made by it on the Closing Date.

(f) Buyer shall have delivered to the Osmose Entities each of the following:

(i) a certificate, duly executed by a duly authorized officer of Buyer, dated the Closing Date, certifying that the preconditions specified in Sections 2.02 (a) and (b) have been satisfied;

(ii) a certificate, duly executed by the secretary of Buyer, dated the Closing Date, certifying (A) that true, complete, and certified copies of Buyer's Organizational Documents, as in effect on the Closing Date, are attached to such certificate, (B) as to the incumbency of each officer executing any of the Transaction Documents to which Buyer is a party, (C) as to the genuineness of the resolutions of the board of directors of Buyer authorizing the execution, delivery and performance by Buyer of the Transaction Documents to which Buyer is a party, and the consummation of all transactions contemplated hereby and thereby, and (D) that a certificate of good standing of Buyer in its jurisdiction of organization of Buyer dated within 10 days of the Closing Date, is attached to such certificate;

(iii) each of the Patent License Agreement and the Trademark License Agreement, each duly executed by Buyer;

(iv) the Escrow Agreement, duly executed by Buyer and the Escrow Agent;

(v) the Transition Services Agreement, duly executed by Buyer; and

(vi) the Professional Services Agreement, duly executed by Osmose Chemicals.

(g) Seller and its Affiliates covered by the PLL Policy shall remain additional insured parties on such PLL Policy and shall otherwise have received reasonably adequate protections regarding Seller's and its Affiliates' existing rights thereunder in respect of facilities covered by such PLL Policy which are retained in the Excluded Business, and the assignment or endorsement of the PLL Policy described in Section 2.01(p) shall have been in form and substance reasonably satisfactory to Seller.

If the Closing occurs, all closing conditions set forth in this Section 2.02 (other than Section 2.02(e)) which have not been fully satisfied as of the Closing shall be deemed to have been waived by Seller.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

3.01 Authorization; Valid and Binding Agreement. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The execution, delivery and performance by Seller of this Agreement and each other Transaction Document to which Seller is or will be a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of Seller, and no other proceedings on Seller's part are necessary to authorize the execution, delivery or performance of this Agreement and each other Transaction Document to which Seller is or will be a party. Each of the Transaction Documents to which Seller is or will be a party is, or upon its execution and delivery will be (assuming the valid authorization, execution, and delivery of such Transaction Document by the other parties thereto), a valid and binding obligation of Seller, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

3.02 No Breach. Except as set forth on Schedule 4.04 of the Disclosure Schedules, the execution, delivery and performance by Seller of this Agreement and each other Transaction Document to which Seller is or will be a party and the consummation of the transactions contemplated hereby and thereby do not conflict in any material respect with or result in, and will not conflict in any material respect with or result in, any material breach of, constitute a material default under, result in a material violation of or require any material authorization, Consent, approval, exemption or other material Action by or notice to any court, other Governmental Body or other third party under (a) the provisions of Seller's Organizational Documents or any resolution adopted by Seller's board of directors or, (b) any indenture, mortgage, lease, loan agreement or other material agreement or instrument to which Seller is bound, or (c) any Law to which Seller is subject.

3.03 Ownership. Seller is the record owner of the Shares set forth on Schedule 3.03 of the Disclosure Schedules. On the Closing Date, Seller shall transfer to Buyer good title to the Shares free and clear of all Liens, other than applicable federal and state securities Law restrictions.

3.04 Litigation. There are no Actions pending or, to the Knowledge of Seller, threatened, whether at law or in equity, whether before or by any Governmental Body, which

would adversely affect Seller's performance under this Agreement or the consummation of the transactions contemplated hereby. Seller is not subject to any outstanding judgment, Order or decree of any court or other Governmental Body, which would adversely affect Seller's performance under this Agreement or the consummation of the transactions contemplated hereby.

3.05 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Seller.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SELLER REGARDING THE OSMOSE ENTITIES

Seller represents and warrants to Buyer as follows:

4.01 Organization and Corporate Power. Osmose Chemicals is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, Osmose Railroad is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and each Osmose Entity has all requisite corporate power and authority to own, lease, and operate its Assets and to carry on its businesses in all material respects as now conducted. Each Osmose Entity is qualified to do business and is in good standing to transact business in every jurisdiction in which its ownership of property or the conduct of its business requires it to qualify or be licensed (with such jurisdictions being identified on Schedule 4.01 of the Disclosure Schedules), except where the failure to be so qualified would not have a Material Adverse Effect. Seller has delivered to Buyer correct and complete copies of the Organizational Documents of each Osmose Entity, as in effect on the date hereof.

4.02 Subsidiaries. Schedule 4.02 of the Disclosure Schedules sets forth the name of each Subsidiary of the Osmose Entities and the jurisdiction of organization of each such Subsidiary. Except as set forth on Schedule 4.02 of the Disclosure Schedules, none of the Acquired Companies owns or holds the right to acquire any stock, partnership interest, joint venture interest or other equity ownership interest in any other Person. The Osmose Entities' Subsidiaries are duly organized, validly existing, and in good standing under the laws of the jurisdiction of their respective incorporation, have all requisite corporate power and authority to own, lease, and operate their respective Assets and to carry on their respective businesses in all material respects as now conducted. The Osmose Entities are qualified to do business and in good standing in every jurisdiction in which their respective ownership of property or the conduct of their respective businesses as now conducted require them to qualify or be licensed (with such jurisdictions being identified on Schedule 4.02 of the Disclosure Schedules), except where the failure to hold such qualifications and licenses would not have a Material Adverse Effect. Except as set forth on Schedule 4.02 of the Disclosure Schedules, the Acquired Companies own all of the capital stock of their respective Subsidiaries, free and clear of any Liens, other than applicable federal and state securities Law transfer restrictions and Liens that will be released prior to the Closing. All of the outstanding shares of capital stock or other

equity interest of each of the Acquired Companies are duly authorized, validly issued, fully-paid, and non-assessable and have been issued in compliance in all material respects with all applicable securities Laws. Seller has delivered to Buyer correct and complete copies of the Organizational Documents of each Acquired Company, as in effect on the date hereof.

4.03 Authorization; Valid and Binding Agreement. The execution, delivery and performance by the Osmose Entities of this Agreement and each other Transaction Document to which it is or will be a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of the Osmose Entities, and no other proceedings on the Osmose Entities' part are necessary to authorize the execution, delivery or performance of this Agreement and each other Transaction Document to which each of the Osmose Entities is or will be a party. Each of the Transaction Documents to which the Osmose Entities is or will be a party is, or upon its execution and delivery will be (assuming the valid authorization, execution, and delivery of such Transaction Document by the other parties thereto), a valid and binding obligation of each of the Osmose Entities, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

4.04 No Breach; Consents.

(a) Except as set forth on Schedule 4.04(a) of the Disclosure Schedules (with reference to the subsections identified below), neither the execution or delivery by either of the Osmose Entities of any of the Transaction Documents to which it is or will be a party, the consummation by such Osmose Entity of the transactions contemplated hereby and thereby, nor the performance by such Osmose Entity of its obligations hereunder and thereunder will (i) violate in any material respect any provision of the Organizational Documents of any Acquired Company, (ii) violate in any material respect any Law or Order, in each case, applicable to any Acquired Company or its respective material Assets, properties, or rights, (iii) result in the imposition of any Lien upon or with respect to any material Asset owned or used by any Acquired Company (except for Permitted Liens), or (iv) violate in any material respect, result in a material breach of, or constitute (with notice or lapse of time or both) a material default under, or give rise to any right of termination, cancellation, or acceleration under any Material Contract to which any Acquired Company is a party or by which it or any of its material properties or Assets may be bound.

(b) Except as set forth on Schedule 4.04(b) of the Disclosure Schedules, no material filing with, and no material Permit, authorization, Consent or approval of, any Governmental Body is necessary for an Osmose Entity's execution and delivery of the Transaction Documents, the consummation by such Osmose Entity of the transactions contemplated hereby or thereby or such Osmose Entity's performance of its obligations hereunder or thereunder

4.05 Capital Stock. The Shares constitute all of the capital stock of the Osmose Entities. Except for the Shares or as set forth on Schedule 4.05 of the Disclosure Schedules, there are no outstanding (a) shares of capital stock or other equity interests or voting securities of the Osmose Entities, (b) securities convertible or exchangeable into capital stock of

the Osmose Entities, (c) options, warrants, purchase rights, subscription rights, preemptive rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other Contracts that require the Osmose Entities to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem capital stock of the Osmose Entities or (d) stock appreciation, phantom stock, profit participation or similar rights with respect to the Osmose Entities. There are no declared but unpaid dividends or distributions on the Shares. Since May 4, 2012, there have been no dividends or other distributions authorized, declared, or paid by any Acquired Company.

4.06 Financial Statements; Undisclosed Liabilities.

(a) True and complete copies of the following are set forth on Schedule 4.06(a): (i) the unaudited combined balance sheet of the Acquired Companies (without giving effect to the Restructuring on a pro forma basis) as at December 31, 2013 (such balance sheet as at December 31, 2013 being referred to herein as the "Latest Balance Sheet," and such date being referred to herein as the "Balance Sheet Date") and the related unaudited combined statements of income and cash flows of the Acquired Companies (without giving effect to the Restructuring on a pro forma basis) for the year ended December 31, 2013 (the "2013 Unaudited Financial Statements"), and (ii) the unaudited combined balance sheet of the Acquired Companies (without giving effect to the Restructuring on a pro forma basis) as at February 28, 2014 and the related unaudited combined statement of income of the Acquired Companies (without giving effect to the Restructuring on a pro forma basis) for the two-month period ended February 28, 2014 (the financial statements described in this clause (ii), together with the 2013 Unaudited Financial Statements, the "Unaudited Financial Statements"). Except as set forth on Schedule 4.06(a) of the Disclosure Schedules, the Unaudited Financial Statements were prepared in accordance with GAAP, consistently applied throughout the periods involved, and present fairly in all material respects the combined financial condition, results of operations, and cash flows of the Acquired Companies taken as a whole (without giving effect to the Restructuring on a pro forma basis) as of the times and for the periods referred to therein, subject to the absence of footnote disclosures and other presentation items (none of which, individually or in the aggregate, would be material). The Restructuring, when completed in accordance with Schedule A, will not result in any material change in the financial condition of the Acquired Companies as reflected in the Unaudited Financial Statements.

(b) Each of the Audited Financial Statements, when delivered to Buyer pursuant to Section 6.08(a), will be prepared in accordance with GAAP, consistently applied throughout the periods involved and will present fairly in all material respects the combined financial condition, results of operations, and cash flows of the Transferred Business (taken as a whole) as of the times and for the periods referred to therein.

(c) The Unaudited Financial Statements were, and each of the Audited Financial Statements, when delivered to Buyer pursuant to Section 6.08(a) will be, prepared in all material respects in accordance with the books and records of each Acquired Company.

(d) Except as set forth on Schedule 4.06(d) of the Disclosure Schedules, since May 4, 2012, no Acquired Company has received any written notification from its auditors of any "significant deficiency" or "material weakness" in such Acquired Company's

internal controls over financial reporting (for purposes of the foregoing, "significant deficiency" and "material weakness" have the respective meanings assigned to them by the American Institute of Certified Public Accountants, as in effect on the date of this Agreement). There are no inquiries in writing or investigations pending or, to the Knowledge of Seller, threatened regarding any material accounting practices of Seller which relate to the Acquired Companies.

(e) The Acquired Companies do not have any material obligations or Liabilities that are required by GAAP to be reflected or reserved against on a balance sheet of the Acquired Companies, except (i) Liabilities reflected on the Latest Balance Sheet, (ii) Liabilities incurred in the ordinary course of business since the Balance Sheet Date, (iii) performance obligations pursuant to the terms of Contracts (1) in effect as of the date hereof or (2) entered into after the date hereof not in violation of this Agreement, or (iv) set forth on Schedule 4.06(e).

4.07 Absence of Certain Developments.

(a) Since the Balance Sheet Date, there has not been any Material Adverse Effect.

(b) Except as set forth on Schedule 4.07(b) of the Disclosure Schedules and except as expressly contemplated by this Agreement, since the Balance Sheet Date, none of the Acquired Companies has:

(i) amended any of its Organizational Documents;

(ii) declared, set aside, made, or paid any dividend or distribution, payable in stock or other equity interests, property, or otherwise, on any share of capital stock or other equity securities;

(iii) borrowed any amount under existing credit lines, except borrowings under such credit lines in the ordinary course of business;

(iv) forgave, cancelled, compromised, waived, or released any debts, claims, or rights having a value in excess of $250,000 individually or $1,000,000 in the aggregate, except in the ordinary course of business consistent with past practice;

(v) made, authorized, or committed to any capital expenditures, or capital additions or improvements in excess of $250,000 individually or $1,000,000 in the aggregate;

(vi) assigned, leased, licensed (other than non-exclusive licenses granted in the ordinary course of business), mortgaged, pledged or subjected to any Lien any of its material Assets, except Permitted Liens;

(vii) adopted a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization, or other reorganization;

(viii) sold, assigned, transferred, or otherwise disposed of any portion of its tangible Assets with a value in excess of $250,000 in each case or $1,000,000 in the aggregate, except in the ordinary course of business consistent with past practice;

(ix) sold, assigned, transferred, or otherwise disposed of any Intellectual Property Rights, except in the ordinary course of business consistent with past practice;

(x) (1) split, combined, or reclassified its outstanding shares of capital stock or other equity securities, (2) issued, sold, or transferred any of its capital stock or other equity securities or securities convertible into its capital stock or other equity securities, or (3) issued, sold, granted, or entered into any subscriptions, warrants, options, conversion, or other rights, agreements, commitments, arrangements, or understandings of any kind, contingent or otherwise, to purchase or otherwise acquire its capital stock or other equity securities, any securities convertible into or exchange for any such shares, or any bonds or debt securities;

(xi) made any capital investment in, or any loan to, any other Person (other than an Acquired Company), in each case in an amount greater than $250,000;

(xii) adopted any new employee benefit plan, made any material changes in its employee benefit plans, or made any material changes in wages, salary or other compensation with respect to its officers, directors or employees, in each case other than changes made in the ordinary course of business or pursuant to existing agreements or as required to comply with applicable Law;

(xiii) made a material change in its accounting or Tax methods, practices or policies, except as required by GAAP;

(xiv) settled any material Tax audit, made or changed any material Tax election, or filed any material amended Tax return;

(xv) terminated or amended, or waived any material rights under, any Leases;

(xvi) commenced or settled any Action involving an amount in excess of $500,000 for any one case; or

(xvii) agreed or committed to do any of the foregoing.

4.08 Properties and Assets.

(a) Personal Property. Except as set forth on Schedule 4.08(a) of the Disclosure Schedules, the Acquired Companies own good and valid title to, or hold pursuant to

valid and enforceable leases, all of the material personal property used in the operation of the Transferred Business as currently conducted, free and clear of all Liens, except for Permitted Liens, and except for Assets disposed of by the Acquired Companies in the ordinary course of business consistent with past practices since the Balance Sheet Date.

(b) Leased Real Property. The real property listed on Schedule 4.08(b) of the Disclosure Schedules (the "Leased Real Property") constitutes all of the real property leased by the Acquired Companies with respect to which (i) the aggregate lease payment obligations therefor exceed $100,000 for the twelve (12) month period preceding the Balance Sheet Date, or (ii) the remaining term of the lease therefor exceeds three (3) years. Schedule 4.08(b) of the Disclosure Schedules also sets forth a list of all leases and subleases and all amendments and supplements thereto, pursuant to which the Acquired Companies hold any Leased Real Property (collectively, "Leases"). Except as set forth on Schedule 4.08(b) of the Disclosure Schedules, the Leases are in full force and effect, and the applicable Acquired Company holds a valid and existing leasehold interest under each such Lease, subject to proper authorization and execution of such Lease by the other party thereto and the application of any bankruptcy or creditor's rights laws. Seller has delivered or made available to Buyer complete and accurate copies of each of the Leases, and none of such Leases has been modified in any material respect, except to the extent set forth on Schedule 4.08(b) of the Disclosure Schedules. None of the Acquired Companies is in default in any material respect under any of such Leases.

(c) Owned Real Property. The real property listed on Schedule 4.08(c) of the Disclosure Schedules constitutes all of the real property owned by the Acquired Companies (the "Owned Real Property"). Except as set forth on Schedule 4.08(c) of the Disclosure Schedules, (i) the Acquired Companies hold good and fee simple title to the Owned Real Property, free and clear of all Liens as of the Closing Date, except Permitted Liens, and (ii) the Acquired Companies have not leased or otherwise granted to any Person the right to use or occupy such Owned Real Property or any portion thereof.

(d) Title. There exists no outstanding option, right of first refusal or other contractual right to purchase, sell, assign or dispose of any Owned Real Property.

(e) Condition and Use. The Owned Real Property is in good operating condition and repair, adequate for the uses to which it is being put and sufficient for the continued conduct of the business after the Closing in substantially the same manner as conducted prior to the Closing. To the Knowledge of the Acquired Companies and except as set forth on Schedule 4.08(e) of the Disclosure Schedules, no portion of any Property is located in a flood plain, flood hazard area or designated wetlands area. To the Knowledge of the Acquired Companies, the Acquired Companies have not received any written or oral notice of assessments for public improvements against any Property or any written or oral notice or Order by any Governmental Body, insurance company or board of fire underwriters or other body exercising similar functions that: (A) relates to violations of building, safety or fire ordinances or regulations; (B) claims any defect or deficiency with respect to any Property; or (C) requests the performance of any repairs, alterations or other work to or in any Property or in any streets bounding the Property. Each parcel of Owned Real Property is considered a separate parcel of land for taxing and conveyancing purposes. There is no pending condemnation, expropriation,

eminent domain or similar proceeding affecting all or any portion of the Property. All public utilities (including water, gas, electric, storm and sanitary sewage, and telephone utilities) required to operate each Property are available to the Property and enter the boundaries of the Property through adjoining public streets or permanent, irrevocable easements or rights-of-way of record in favor of the Acquired Companies.

(f) Sufficiency of Assets. After giving effect to the transactions contemplated by the Transition Services Agreement, the Trademark License Agreement and the Patent License Agreement, the Assets held, licensed or leased by the Acquired Companies include all of the material assets, properties and rights of every type and description that are used in the conduct of the Transferred Business as currently conducted, including after giving effect to the Restructuring. The Assets that are material to the operation of the Transferred Business are in all material respects in good working order and repair (normal industry wear and tear excepted), have been operated and maintained in all material respects the ordinary course of business and consistent with past practices and are in all material respects in suitable and adequate condition for use in the Transferred Business as currently conducted.

4.09 Tax Matters. Except as set forth on Schedule 4.09 of the Disclosure Schedules, since May 4, 2012:

(a) The Acquired Companies have filed all material Tax Returns that are required to be filed by them. All such Tax Returns were filed timely and were complete and accurate in all material respects. All material Taxes due and owing by the Acquired Companies have been paid in full. All material Taxes which the Acquired Companies are obligated to withhold from amounts owing to any employee, creditor or third party have been fully paid or properly accrued.

(b) There is no material dispute over any Tax, deficiency for any Tax, or claim for additional Taxes that has been asserted or assessed by any taxing authority against the Acquired Companies, which has not been paid in full or otherwise resolved with the applicable Governmental Body. No Acquired Company has waived any statute of limitations in respect of material Taxes beyond the date hereof or agreed to any extension of time beyond the date hereof with respect to a Tax assessment or deficiency. No Acquired Company currently is the beneficiary of any extension of time within which to file any Tax Return. No written claim has been made by an authority in a jurisdiction where an Acquired Company does not file Tax Returns that an Acquired Company is or may be subject to taxation by that jurisdiction. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the Assets of the Acquired Companies. No Acquired Company is a party to any Tax allocation or sharing agreement (other than (1) agreements solely among the Osmose Entities and their Subsidiaries, (2) commercial agreements entered into in the ordinary course of business not primarily about Taxes, and (3) agreements entered into in the ordinary course of business providing for the allocation or payment of property Taxes).

(c) The Acquired Companies have established, obtained and maintained all material transfer pricing documentation as required under applicable Tax Law.

(d) No Acquired Company has any Liability for Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or non-U.S. Law), as a transferee or successor, other than pursuant to Section 1.1502-6 with respect to the affiliated group of which OHI Intermediate Holdings, Inc. (or any of its Affiliates) is the common parent.

(e) No Acquired Company has a permanent establishment (within the meaning of an applicable Tax treaty) other than in the country in which it is organized.

(f) No Acquired Company will be required to include any item in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local, or non-U.S. income Tax Law) executed on or prior to the Closing Date; (iii) installment sale made on or prior to the Closing Date; or (iv) prepaid amount received on or prior to the Closing Date.

(g) No Acquired Company has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code Section 355.

(h) The representations and warranties in this Section 4.09 are the sole and exclusive representations and warranties of Seller concerning Tax matters. For avoidance of doubt, no representation or warranty in this Section 4.09 is made with respect to the existence or usability of any net operating loss, capital loss, tax basis, or other tax attribute.

4.10 Contracts and Commitments.

(a) Schedule 4.10(a) of the Disclosure Schedules identifies (with reference to each of the subsections below) certain Contracts of the Acquired Companies. For purposes of this Agreement, each of the following (which shall be identified on Schedule 4.10(a) of the Disclosure Schedules) shall be deemed to be a "Material Contract":

(i) any Contract with any Governmental Body (excluding Permits) to which any Acquired Company is a party; any Contract that limits or purports to limit the ability of any Acquired Company to compete in any material respect in any line of business or with any Person or in any geographic area or during any period of time;

(ii) (A) any Contract between or among any Acquired Company and Seller or any Affiliate of Seller and (B) any Contract with a Seller Affiliated Party;

(iii) any Contract for capital expenditures or the acquisition or construction of fixed assets requiring the payment by any Acquired Company of an amount in excess of $250,000 after the Closing Date;

(iv) any Contract relating to any completed business acquisition by the Acquired Companies within the last thirty-six (36) months;

(v) any collective bargaining agreement;

(vi) any Contract for the employment of any officer, individual employee or other Person on a full-time or consulting basis providing for base and bonus compensation in excess of $250,000 per annum;

(vii) any Contract relating to Indebtedness, the borrowing of money or to mortgaging, pledging shares on any of the Acquired Companies, or otherwise placing a Lien on any of the Assets, in each case other than agreements creating Liens that will be released at Closing;

(viii) any customer Contract for the purchase of products or services from any Acquired Company under which the aggregate revenue of the Acquired Companies from such Contract or group of related Contracts is in excess of $2,500,000 for the twelve (12) month period preceding the Balance Sheet Date;

(ix) any vendor Contract for the sale of products or services to any Acquired Company under which the aggregate sales to the Acquired Companies from such Contract or group related Contracts is in excess of $2,500,000 for the twelve (12) month period preceding the Balance Sheet Date;

(x) any Contract granting to any Person an option or a first refusal, first-offer, exclusivity or similar preferential right to purchase or acquire any Assets of any Acquired Company, except for the right of customers of the Acquired Companies to acquire Assets in the ordinary course of business consistent with past practice;

(xi) any Contract that contains “most favored nation” or equivalent preferential pricing terms for the benefit of any Person other than the Acquired Companies, in any case that is material;

(xii) any Contract with any Agent, distributor or representative of any Acquired Company (A) under which the aggregate costs to the Acquired Companies from such Contract is in excess of $1,000,000 for the twelve (12) month period preceding the Balance Sheet Date and (B) that is not terminable without penalty on 30 days’ or less notice;

(xiii) any Contract providing for the indemnification or holding harmless of any officer, director or employee by any Acquired Company other than in the ordinary course of business and in the Acquired Company’s Organizational Documents;

(xiv) any joint venture or partnership Contract of any Acquired Company or any other Contract providing for the sharing of any profits by any Acquired Company;

(xv) any Contract that limits or purports to limit the ability of any Acquired Company to solicit any customers (excluding customary nondisclosure agreements); and

(xvi) any Contract set forth on Schedule 4.04(a) of the Disclosure Schedules.

Seller has made available to Buyer an accurate and complete copy of each Material Contract.

(b) Except as disclosed on Schedule 4.10(b) of the Disclosure Schedules, (i) each Material Contract listed on Schedule 4.10(a) of the Disclosure Schedules is (assuming the valid authorization, execution, and delivery of such Material Contract by the other parties thereto) in full force and effect and enforceable by each Acquired Company party thereto in accordance with its respective terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies, (ii) no Acquired Company is, and to the Knowledge of Seller, no other party to a Material Contract is, in material breach or material default under any Material Contract, (iii) no event has occurred that, with notice or the passage of time or both, would (A) constitute a material breach or material default by any Acquired Company under, (B) give any Person the right to receive or require a material refund, rebate, chargeback, penalty, or change in delivery schedule from any Acquired Company under any Material Contract, or (C) give any Person the right to accelerate in any material respect the maturity or performance of any Material Contract by any Acquired Company, and (iv) no Acquired Company has given, nor has any Acquired Company received from any other Person, any written notice or other written communication regarding the existence of any material breach of, or material default under, any Material Contract.

(c) With respect to the Agreement and Plan of Merger by and among Seller, OHI Parent, Inc., OHI Intermediate Holdings, Inc., OHI Acquisition Corporation, and the guarantors named therein, dated as of March 13, 2012 (the "Oaktree Acquisition Agreement") and each of the transaction documents executed in connection with the Oaktree Acquisition Agreement (except for those documents related to the debt financing obtained in connection therewith), (i) none of the Acquired Companies were party thereto, (ii) there are no ongoing covenants or restrictions that bind any of the Acquired Companies, and (iii) none of the Acquired Companies have any indemnification, contribution, or reimbursement obligations thereunder or otherwise in connection therewith.

4.11 Intellectual Property Rights.

(a) Schedule 4.11(a) of the Disclosure Schedules contains a complete and accurate list of all (i) patented or registered Intellectual Property Rights (including domain names) owned or, to Seller's Knowledge, used by each Acquired Company, and (ii) pending

patent applications and applications for other registrations of Intellectual Property Rights filed by or on behalf of each Acquired Company. Except as set forth on the Schedule 4.11(a) of the Disclosure Schedules, the Acquired Companies collectively own, free and clear of all Liens, possess a right, title and interest to, have the right to use pursuant to a valid and enforceable license, or pursuant to a partial ownership interest, all Intellectual Property Rights necessary for the operation of the business of the Acquired Companies as presently conducted and as presently proposed to be conducted. Except as set forth on Schedule 4.11(a) of the Disclosure Schedules, the loss or expiration of any Intellectual Property Right or related group of Intellectual Property Rights owned or used by any Acquired Company has not had and would not reasonably be expected to have a Material Adverse Effect, and to Seller's Knowledge no loss or expiration of any material Intellectual Property Right is pending, threatened or reasonably foreseeable (other than the expiration of those material Intellectual Property Rights which by Law expire on a date certain). The Acquired Companies have taken all commercially reasonable steps to maintain and protect the Intellectual Property Rights which each owns and uses. To Seller's Knowledge, the owners of any Intellectual Property Rights identified on Schedule 4.11(a) of the Disclosure Schedules and licensed to the Acquired Companies have taken commercially reasonable action to maintain and protect the Intellectual Property Rights which are subject to such licenses.

(b) Except as set forth on Schedule 4.11(b) of the Disclosure Schedules, since May 4, 2012 (i) there have been no claims made against any Acquired Company asserting the invalidity, misuse or unenforceability of any of the Intellectual Property Rights set forth on Schedule 4.11(a) of the Disclosure Schedules and, to Seller's Knowledge, there is no reasonable basis for any such claim, (ii) no Acquired Company has received any written notices of, and no Acquired Company has Knowledge of any facts which indicate a probable infringement, misappropriation or dilution by any third party with respect to any Intellectual Property Rights (including any demand or request that any Acquired Company license any rights from a third party), (iii) to Seller's Knowledge, the conduct of the respective businesses of the Acquired Companies has not infringed, misappropriated or diluted, nor does infringe, misappropriate or dilute any Intellectual Property Rights of other Persons, and (iv) to Seller's Knowledge, the Intellectual Property Rights set forth on Schedule 4.11(a) of the Disclosure Schedules have not been infringed, misappropriated or diluted by other Persons. Except for the transfer, conveyance or assignment of Intellectual Property Rights to Buyer, the transactions contemplated by this Agreement will not have a Material Adverse Effect on any right, title or interest of the Acquired Companies in and to the Intellectual Property Rights set forth on Schedule 4.11(a) of the Disclosure Schedules and all of such Intellectual Property Rights shall be owned or available for use by Buyer on identical terms and conditions immediately after the Closing.

(c) Except as set forth on Schedule 4.11(c)(i) of the Disclosure Schedules, the Acquired Companies own and possess all right, title and interest in and to all Intellectual Property Rights identified on Schedule 4.11(a) of the Disclosure Schedules created or developed solely by any of their respective employees and independent contractors or under the direction or supervision of such entity's employees or independent contractors relating to the business of such entity or the actual research or development conducted by such entity; and the Acquired Companies own and possess the right to own and possess all right, title and interest in

and to any such Intellectual Property Rights relating to the demonstratively anticipated research and development to be conducted by such entity. Except as set forth on Schedule 4.11(c)(ii) of the Disclosure Schedules, all Persons who have participated in the creation or development of any of the Intellectual Property Rights set forth or required to be set forth on Schedule 4.11(a) of the Disclosure Schedules have executed and delivered to the applicable Acquired Company a valid and enforceable agreement (i) providing for the non-disclosure by such Person of any confidential information of the Acquired Companies, and (ii) providing for the assignment by such Person of the applicable Acquired Company of any Intellectual Property Rights arising out of such Person's employment by or contract with such Acquired Company. It is not and will not be necessary for any Acquired Company to utilize any Intellectual Property Rights any of its employees developed, invented or made prior to their employment by such Acquired Company except for any such Intellectual Property Rights that have previously been assigned or licensed to such Acquired Company.

(d) The firmware, hardware, Software and other similar or related items of automated, computerized and/or Software systems used by the Acquired Companies (the "Business Systems") are sufficient for the current needs of the Acquired Companies and there have been no material adverse changes to the Business Systems in the past twelve (12) months. There have been no material unauthorized intrusions or breaches of the security of the Business Systems in the past twelve (12) months. The Acquired Companies have taken commercially reasonable steps consistent with good (or better) industry standard security practices to protect the Business Systems from any "back door", "time bomb", "virus", "Trojan horse", "worm", "drop dead device", or other Software routines or hardware components that permit unauthorized access or the unauthorized disablement or erasure of data and related Software.

(e) Each Acquired Company has at all times complied in all material respects and is currently in compliance in all material respects with any applicable privacy policies it has established. The current privacy policies of the Acquired Companies are in all material respects in compliance with all applicable Laws. For purposes of this Agreement, the term "Personally Identifiable Information" means data that identifies or locates a particular individual, including but not limited to name, address, telephone number, electronic mail address, social security number, bank account number or credit card number. No Personally Identifiable Information has been (i) collected by any Acquired Company in material violation of any Laws, or (ii) transferred or disclosed by any Acquired Company to third parties in material violation of any Laws. There are no notices or Actions pending, or, to the Knowledge of Seller, threatened, by Governmental Bodies, or private parties, involving Personally Identifiable Information held or stored by any Acquired Company.

(f) The specific patent that is set forth on Schedule 4.11(f) of the Disclosure Schedules is in force and is valid and enforceable, and correctly and completely identifies inventorship.

(g) The inventions described in the specific patent set forth on Schedule 4.11(g) are not, and have not been, made, used, sold, or offered for sale in connection with the Transferred Business. The trademarks listed on Schedule 4.11(g) of the Disclosure Schedules have not been, and are not currently, used in connection with goods produced or sold, or services offered, in connection with the Transferred Business.

4.12 Litigation. Except as set forth on Schedule 4.12 of the Disclosure Schedules, there is no Action pending or, to the Knowledge of Seller, threatened, whether at law or in equity, and whether before or by any Governmental Body or before any arbitrator, arbitration panel, mediator, or mediation panel, (a) to which any Acquired Company or any of the Assets owned or used by any Acquired Company is subject and which involves claims of Losses that would reasonably be expected to exceed $1,000,000 or (b) that challenges, or that may have the effect of preventing, delaying or making illegal the transactions contemplated by this Agreement. There are no Orders binding upon any Acquired Company or to which any of the Assets are subject.

4.13 Employee Benefit Plans.

(a) Except as listed on Schedule 4.13(a) of the Disclosure Schedules, and other than with respect to any "multiemployer plan" as defined in Section 3(37) of ERISA, with respect to employees of the Acquired Companies, none of the Acquired Companies or Seller maintains, sponsors, or contributes to any (i) "pension plans" (as defined under Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (the "Pension Plans"), (ii) "welfare plans" (as defined under Section 3(1) of ERISA) (the "Welfare Plans"), (iii) "employee benefit plan" within the meaning of Section 3(3) of ERISA, or (iv) other stock option, stock purchase, restricted stock, equity compensation, deferred compensation, bonus, material fringe benefit, sick leave, vacation, profit sharing, pension, retirement, medical, life, disability, accident, salary continuation, supplemental retirement, severance, or change-of-control plan, program or agreement (whether or not insured) collectively, the "Plans"). Each of the Pension Plans that is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), has received a favorable determination letter from the Internal Revenue Service or is in the form of a prototype plan that is the subject of a favorable opinion letter from the Internal Revenue Service. Since the date of each such determination or opinion letter, no event has occurred and no condition or circumstance exists that has resulted or is reasonably likely to result in the revocation of any such determination letter. Seller has delivered or caused to be made available to Buyer a true and complete copy of each such determination or opinion letter. The Plans comply in all material respects in form and are maintained and operated in all material respects in compliance with the requirements of all applicable Laws, including the Code and ERISA. Each Plan is maintained and operated in all material respects in accordance with its terms.

(b) With respect to each Plan set forth on Schedule 4.13(a) of the Disclosure Schedules, Seller has made available or caused to be made available to Buyer, to the extent applicable, true and complete copies of the current plan document, the most recent summary plan description, and the current trust agreement. To the Knowledge of Seller, none of the Acquired Companies, or any director, officer or employee of the Acquired Companies who participates in the operation of any Plan set forth on Schedule 4.13(a) of the Disclosure Schedules has engaged in any transaction with respect to any such Plan or breached any applicable fiduciary responsibility or obligation under Title I of ERISA that would reasonably be expected to subject the Acquired Companies to a material Tax, penalty or Liability.

(c) None of the Plans is subject to Title IV of ERISA.

(d) The Acquired Companies do not have any Liability with respect to any "multiemployer plan" as defined in Section 3(37) of ERISA.

(e) Except as set forth on Schedule 4.13(e) of the Disclosure Schedules, neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement shall (i) accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable or trigger any other material obligation pursuant to, any of the Plans or any employment agreement or (ii) limit or restrict the right of the Acquired Companies to merge, amend, or terminate any of the Plans with respect to any employee of the Acquired Companies.

(f) Schedule 4.13(f) of the Disclosure Schedules sets forth a list of each Plan that is maintained or sponsored by the Acquired Companies or to which the Acquired Companies contribute for the benefit of non-United States active, retired or former employees or directors of the Acquired Companies (each a "Foreign Plan"). Except as set forth on Schedule 4.13(f) of the Disclosure Schedules, the Acquired Companies have no material Liabilities pursuant to any Foreign Plan.

(g) The Acquired Companies do not have any Liability with respect to any Plan solely on account of the Acquired Companies being considered a single employer with any other Person under Section 414 of the Code prior to the Closing Date.

(h) As a direct or indirect result of the transactions contemplated by this Agreement, no payment or other benefit and no acceleration of the vesting of any options or other equity award, payments or other benefits shall be (or under Section 280G of the Code and the Treasury Regulations thereunder be presumed to be) an "excess parachute payment" to a "disqualified individual" as those terms are defined in Section 280G of the Code and the Treasury Regulations thereunder, without regard to whether such payment or acceleration is reasonable compensation for personal services performed or to be performed in the future. No individual is entitled to a gross-up payment from the Acquired Companies with respect to any Tax obligation under Section 4999 or 409A of the Code.

(i) The representations and warranties in this Section 4.13 are the sole and exclusive representations and warranties of Seller, the Osmose Entities and the Acquired Companies concerning ERISA and employee benefit plan matters.

4.14 Insurance. Schedule 4.14 of the Disclosure Schedules contains a list of each of the material insurance policies (the "Insurance Policies") and self-insurance programs relating to or able to pay claims arising out of the Assets, Liabilities, Transferred Business, or operations of any Acquired Company. Each of the Insurance Policies is in full force and effect. To the Knowledge of Seller, none of the Acquired Companies is in material default under any

Insurance Policies. As of the date hereof, all Insurance Policies' premiums due have been paid, and neither the Seller nor any Acquired Company has received any written notice nor, to the Knowledge of Seller, is any notice threatened to be delivered, regarding any actual or possible (a) notice of cancellation or termination (or intent to cancel or terminate) of any of the Insurance Policies, (b) refusal of any coverage or rejection of any material claim under any of the Insurance Policies, or (c) material adjustment in the amount of premiums payable with respect to any of the Insurance Policies outside of ordinary course premium increases upon renewal.

4.15 Compliance with Laws. Each of the Acquired Companies is, and at all times since May 4, 2012 has been, in compliance in all material respects with all Laws applicable to it or to the conduct of its business or the ownership of its Assets. Since May 4, 2012, no Acquired Company has received any written notice of any actual or alleged claim or violation in any material respect of any Law applicable to the operation of the businesses of the Acquired Companies.

4.16 Environmental Matters. Except as set forth on Schedule 4.16 of the Disclosure Schedules:

(a) Each of the Acquired Companies is in compliance in all material respects with all applicable Environmental Laws, and no Acquired Company has received written notice or other communication stating, alleging or otherwise contending in any manner that it is not in compliance with applicable Environmental Laws, the subject of which notice or other communication is unresolved.

(b) Each of the Acquired Companies has obtained and is in compliance in all material respects with all material authorizations, licenses, Permits, registrations and other approvals of any type required under Environmental Laws to operate at each Leased Real Property and Owned Real Property and to carry on its business as now conducted, and no Acquired Company has received written notice or other communication regarding any uncured, material violations of the terms or conditions of any such approvals. Schedule 4.16 of the Disclosure Schedules lists all material authorizations, licenses, Permits, registrations and other approvals of any type required under Environmental Laws to operate at each Leased Real Property or with respect to the Acquired Companies to carry on their respective businesses as now conducted.

(c) No Acquired Company has received or otherwise been notified in writing of, and none of the Osmose Entities has Knowledge of, a material Environmental Claim pending or threatened against any Acquired Company or against any Person whose Liability for any such Environmental Claim an Acquired Company has retained or assumed by contract or by operation of law, including any such Environmental Claim regarding any demand to investigate, abate, remediate or clean up any contamination by Hazardous Substances at any Owned Real Property or Leased Real Property.

(d) To Seller's Knowledge with respect to the twenty-year period ending on the Closing Date, there are no past actions by, activities of, or conditions of contamination caused by, any Acquired Company or any Person whose Liability an Acquired Company has retained or assumed by contact or by operation of law, including past or present

processing, management, release, emission, discharge or disposal of any Hazardous Substances, that would reasonably be expected to result in a material Environmental Claim or material Environmental Liabilities against or with respect to any Acquired Company.

(e) Seller has provided or made available to Buyer all material environmental site assessments, reports, or audits that are in the possession of Seller or the Acquired Companies regarding environmental matters pertaining to, or the environmental condition of, the Leased Real Property, and the Owned Real Property or any other real property previously owned, leased, or otherwise used by the Acquired Companies.

(f) To Seller's knowledge, no Acquired Company is required by virtue of the transactions contemplated by this Agreement, or as a condition to the effectiveness of the transactions contemplated by this Agreement, (i) to perform a site assessment for Hazardous Substances at any Owned Real Property or Leased Real Property, (ii) to remove or remediate Hazardous Substances from any Owned Real Property or Leased Real Property, (iii) to give notice to or receive approval from any Governmental Body with respect to any Hazardous Substance contamination at any Owned Real Property or Leased Real Property, in each case pursuant to any "transaction-triggered" or "responsible property transfer" Environmental Laws.

(g) The representations and warranties in this Section 4.16 are the sole and exclusive representations and warranties of Seller concerning any environmental, health or safety matters, including matters arising under Environmental Laws or relating to any Environmental Claims, Environmental Liabilities, or Hazardous Substances.

4.17 Affiliated Transactions. Except as set forth on Schedule 4.17 of the Disclosure Schedules, (a) no Acquired Company is party to any Contract with any Seller Affiliated Party, (b) neither Seller nor, to the Knowledge of Seller, any Seller Affiliated Party (i) owns, directly or indirectly, and whether on an individual, joint, or other basis, any interest in any Person that is a service provider, supplier, customer, or competitor of an Acquired Company or (ii) serves as an officer, director, or employee of any Person that is a service provider, supplier, customer, or competitor of an Acquired Company, and (c) neither Seller nor, to the Knowledge of Seller, any Seller Affiliated Party has received any loans from or is otherwise a debtor of, or made any loans to or is otherwise a creditor of any Acquired Company. Seller will have caused all Contracts, to which any Acquired Company and any Seller Affiliated Party or any of their Affiliates (excluding the other Acquired Companies) are party, to be terminated and, if applicable, all outstanding balances owed by any Seller Affiliated Party any of their Affiliates (excluding the other Acquired Companies) to the Acquired Companies collected prior to the Closing without the incurrence of any penalty or the payment of any termination fee, in either case, to be paid by any Acquired Company at or after the Closing.

4.18 Employment and Labor Matters. Except as set forth on Schedule 4.18 of the Disclosure Schedules, (a) no Acquired Company is a party to or bound by any collective bargaining agreement, nor has any of them experienced any strike, claim of unfair labor practices, or other material collective bargaining dispute within the past two years, (b) (i) there are no employment-related material disputes pending or, to the Knowledge of Seller, threatened between any Acquired Company and any of its employees and (ii) to the Knowledge of Seller, there are no current union organizational activities involving employees of any Acquired Company.

4.19 Antitrust. Neither Seller nor, to the Knowledge of Seller, any Acquired Company has, since May 4, 2012, been notified in writing of:

(a) any investigation or prosecution of Seller or any of the Acquired Companies by any Governmental Body in respect of any actual or alleged breach of the antitrust or competition laws of any jurisdiction; or

(b) any agreement, arrangement or understanding with any competitor(s) to which Seller or any of the Acquired Companies is a party that would constitute a violation of the anti-trust or competition laws of any jurisdiction.

4.20 Accounts Receivable; Customers; Suppliers.

(a) Accounts Receivable. Except as set forth on Schedule 4.20(a) of the Disclosure Schedules, all Receivables reflected on the Latest Balance Sheet (A) represent in all material respects monies due for goods sold and delivered or services rendered from bona fide transactions in the ordinary course of business, and (B) to the Knowledge of Seller, are not subject to any refund, rebate, or adjustment or any defense, right of set-off, assignment, restriction, security interest, or other Lien, including under any Contract, in each case that is material, other than in the ordinary course of business. No Acquired Company has factored any of its Receivables.

(b) Customers. Schedule 4.20(b) of the Disclosure Schedules sets forth the top ten (10) customers of each of Osmose Chemicals and Osmose Railroad (by revenue) for each of the fiscal years of 2012 and 2013. None of the customers identified on Schedule 4.20(b) of the Disclosure Schedules has advised Seller or any Acquired Company in writing or, to the Knowledge of the Seller, orally that it is not continuing, or is terminating or making a material adverse change with respect to, its business with the Transferred Business.

(c) Suppliers. Schedule 4.20(c) of the Disclosure Schedules sets forth the top ten (10) suppliers of each of Osmose Chemicals and Osmose Railroad (by cost) for each of the fiscal years of 2012 and 2013. None of the suppliers identified on Schedule 4.20(c) of the Disclosure Schedules has advised Seller or any Acquired Company in writing or, to the Knowledge of the Seller, orally that it is not continuing, or is terminating or making a material adverse change with respect to, its business with the Transferred Business.

4.21 Governmental Authorizations. A complete and accurate list of material Governmental Authorizations maintained by each Acquired Company is set forth on Schedule 4.21 of the Disclosure Schedules. The Acquired Companies hold all material Governmental Authorizations to own and operate their properties and to carry on their businesses as now conducted. Each Acquired Company is in compliance in all material respects with the Governmental Authorizations set forth in Schedule 4.21 of the Disclosure Schedules. Neither the execution nor delivery by the Acquired Companies of any of the Transaction Documents to which it is or will be a party, the consummation by the Acquired Companies of the transactions

contemplated hereby and thereby, nor the performance by the Acquired Companies of their obligations hereunder and thereunder will materially violate, or give any Person the right to revoke, suspend, cancel, terminate, or materially modify, any Governmental Authorization that is held by any Acquired Company.

4.22 Inventory. All inventories of the Acquired Companies (including raw materials, work-in-progress, and finished goods) used in the Transferred Business (collectively, "Inventory") will be valued on the 2013 Audited Financial Statements at the lower of cost or market. All of the finished goods Inventory is in all material respects in good, merchantable, and usable condition and is salable in the ordinary course of business consistent with past practices. Except as disclosed in Schedule 4.22 of the Disclosure Schedule, none of the Inventory is slow-moving, obsolete (in excess of any reserve for obsolescence set forth on the Latest Balance Sheet), has been consigned to others or is on consignment from others.

4.23 Anti-Corruption Compliance.

(a) The Acquired Companies, including all Persons associated with any Acquired Company, have not at any time engaged since May 4, 2012 in any activity, practice, or conduct which constitutes a material violation of any "Anti-Corruption Law", which means (i) the U.K. Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977, (ii) applicable laws enacted pursuant to the Organization of Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and (iii) any other applicable laws, rules, or regulations of relevant jurisdictions prohibiting bribery and corruption including local anti-corruption laws in the countries in which each Acquired Company operates.

(b) To Seller's Knowledge, since May 4, 2012, no Person associated with the Acquired Companies has directly or indirectly made, offered, promised to make, or authorized the making of any payment or provision of money, gift, or anything of value to any Person to influence any act, decision or omission, to obtain or retain business, to direct business to any Acquired Company or to secure any improper advantage for any Acquired Company.

(c) No Acquired Company nor, to the Knowledge of Seller, any Person associated with any Acquired Company is or since May 4, 2012 has been the subject of any investigation, inquiry, allegations, or proceedings by any Governmental Body or any customer regarding actual or alleged violations of the Anti-Corruption Laws, and to Seller's Knowledge no such investigation, inquiry or proceeding is pending or threatened.

(d) For purposes of this Section 4.23, a Person is "associated" with an Acquired Company if that Person performs or has performed services in any capacity whatsoever for or on behalf of an Acquired Company, including any and all shareholders, officers, directors, employees, Agents, joint ventures, joint venture partners, contractors, subcontractors, distributors, representatives, or consultants of any Acquired Company.

(e) The representations and warranties in this Section 4.23 are the sole and exclusive representations and warranties of Seller concerning any matters relating to compliance with Laws concerning corruption and bribery.

4.24 Disclosed Real Property. Schedule 4.24 of the Disclosure Schedules lists all real property owned or leased by the Acquired Companies at any time, other than Leased Real Property and Owned Real Property identified on Schedules 4.08(b) and 4.08(c) of the Disclosure Schedules.

4.25 Warranty and Product Liability. Except as set forth on Schedule 4.25 of the Disclosure Schedules and for Liabilities for which there is a reserve reflected in the Unaudited Financial Statements, there are no actual material claims outstanding, pending or, to the Knowledge of Seller, threatened involving a service provided or a product manufactured, produced, developed, distributed or sold by the Acquired Companies relating to an alleged defect in design, manufacture, materials or workmanship, performance, or an alleged breach of any express guarantee or warranties or representations, other than notices or claims that have been settled or resolved prior to the date of this Agreement or that are incurred in the ordinary course of business.

4.26 Indebtedness. Except as set forth on the Latest Balance Sheet or Schedule 4.26 of the Disclosure Schedules, no Acquired Company has any Indebtedness as of the date hereof.

4.27 Brokerage. Except as set forth on Schedule 4.27 of the Disclosure Schedules, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Seller or any Acquired Company.

4.28 Data Room. Prior to the Closing Date, Seller shall have delivered to Buyer one or more CDs containing true, correct, and complete copies of all documents posted in the data room on or prior to two (2) Business Days prior to the date hereof for the transactions contemplated by this Agreement established by Seller at http://services.intralinks.com (the "Data Room").

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

5.01 Organization and Power. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, with full organizational power and authority to enter into this Agreement and perform its obligations hereunder.

5.02 Authorization; Valid and Binding Agreement. The execution, delivery and performance of by Buyer of this Agreement and each other Transaction Document to which Buyer is or will be a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of Buyer, no other proceedings on Buyer's part are necessary to authorize the execution, delivery or performance of this Agreement and each other Transaction Document to which Buyer is or will

be a party. Each of the Transaction Documents to which Buyer is or will be a party is, or upon its execution and delivery will be (assuming the valid authorization, execution, and delivery of such Transaction Document by the other parties thereto), a valid and binding obligation of Buyer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

5.03 No Breach. The execution, delivery and performance by Buyer of this Agreement and each other Transaction Document to which Buyer is or will be a party and the consummation of the transactions contemplated hereby and thereby do not conflict with or result in, and will not conflict with or result in, any breach of, constitute a default under, result in a violation of or require any authorization, Consent, approval, exemption, filing or other Action by or notice to any court, other Governmental Body or other third party under (a) the provisions of Buyer's Organizational Documents, (b) any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which Buyer is bound, or (c) any Law to which Buyer is subject (except for the applicable requirements under the HSR Act or any comparable applicable foreign competition or antitrust laws).

5.04 Litigation. There are no Actions pending or, to the knowledge of Buyer, threatened, whether at law or in equity, whether before or by any Governmental Body, which would adversely affect Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby. Buyer is not subject to any outstanding judgment, Order or decree of any court or other Governmental Body, which would adversely affect Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby.

5.05 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Buyer.

5.06 Investment Representation. Buyer is acquiring the Shares for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities laws. Buyer is an "accredited investor" as defined in Regulation D promulgated by the SEC under the Securities Act. Buyer acknowledges that it is informed as to the risks of the transactions contemplated hereby and of ownership of the Shares. Buyer acknowledges that the Shares have not been registered under the Securities Act, or any state or foreign securities laws, and that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and the Shares are registered under any applicable state or foreign securities laws, or pursuant to an exemption from registration under the Securities Act and any applicable state or foreign securities laws.

5.07 Financing; Availability of Funds. Buyer has delivered to Seller true, correct and complete fully executed copies of the commitment letter, dated as of April 13, 2014, among Buyer, PNC Bank, National Association, and PNC Capital Markets LLC, including all

exhibits, schedules, annexes and amendments to such letter in effect as of the date of this Agreement (the "Debt Commitment Letter"), pursuant to which and subject to the terms and conditions thereof each of the parties thereto (other than Buyer) have severally agreed to lend the amounts set forth therein for the purpose of financing the transactions contemplated by this Agreement (the "Financing"). In addition, Buyer has delivered to Seller true, correct and complete copies of each executed fee letter associated with the Debt Commitment Letter (the "Fee Letters"); provided that any fee amounts or economic numbers (but, for the avoidance of doubt, no covenants) set forth in any such Fee Letter may be redacted. Neither the Debt Commitment Letter nor any Fee Letter has been amended, restated, supplemented or otherwise modified or waived prior to the date of this Agreement and no such amendment, restatement, supplement, other modification or waiver is contemplated (provided, that any addition of a joint lead arranger to the Debt Commitment Letter in the same form referenced in the first sentence of this paragraph shall not breach the foregoing), and the respective commitments contained in the Debt Commitment Letter have not been withdrawn, modified or rescinded in any respect prior to the date of this Agreement or is contemplated. The Debt Commitment Letter is in full force and effect, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles. As of the date hereof, there are no side letters or other arrangements relating to the Financing that have been entered into by Buyer or its Affiliates or delivered to Seller. There are no conditions precedent or contingencies related to the funding of the full amount of the Financing, other than as described in the Debt Commitment Letter. Buyer does not have any Knowledge of any fact or occurrence existing on the date of this Agreement that would reasonably be expected to make any of the statements set forth in the Debt Commitment Letter inaccurate in any material respects or that would reasonably be expected to cause the Debt Commitment Letter to be ineffective. The net proceeds of the Financing contemplated by the Debt Commitment Letter, together with other financial resources of Buyer, including cash and marketable securities of Buyer on the Closing Date, will, in the aggregate, be sufficient for the satisfaction of all of Buyer's obligations under this Agreement, including, without limitation, the payment of any amounts required to be paid pursuant to Article 1 and payment of all fees and expenses reasonably expected to be incurred in connection herewith. Assuming satisfaction of the conditions set forth in Section 2.01 (and assuming compliance by Seller with Section 6.12), as of the date of this Agreement, Buyer has no reason to believe that conditions to the Financing will not be satisfied.

5.08 Knowledge of Buyer. As of the date of this Agreement, Buyer has reviewed the contents of the Data Room, and to Buyer's Knowledge, there is no breach of any representation or warranty of Seller with respect to this Agreement (provided that this representation does not apply to the representations and warranties set forth in Section 4.11(f), as such representations and warranties apply to third party claims regarding the specific patent described in Schedule 4.11(f) of the Disclosure Schedules, and any representation or warranty to the extent it is qualified by the Knowledge of Seller) (each, a "Knowledge Event"). To the extent of Buyer's Knowledge of any such Knowledge Event, Buyer shall be prohibited from asserting (a) any claim for indemnification under the provisions of Article 9 to the extent of such Knowledge Event and (b) any such Knowledge Event as a justification for claiming that a condition to Buyer's obligation to close the transactions contemplated by this Agreement has not occurred or as a justification for termination of this Agreement under Section 8.01(b) below.

5.09 Solvency. Immediately after giving effect to the transactions contemplated hereby, and assuming the accuracy of Seller's representations and warranties contained in Articles 3 and 4, Buyer and each of its Subsidiaries (including the Acquired Companies) (a) will be able to pay their respective debts as they become due and will own property which has a fair saleable value greater than the amounts required to pay their respective debts (including a reasonable estimate of the amount of all contingent liabilities) and (b) will have adequate capital to carry on their respective businesses.

ARTICLE 6

PRE-CLOSING COVENANTS

6.01 Conduct of the Business.

(a) Except as set forth on Schedule 6.01, Seller covenants and agrees that, from the date hereof until the Closing Date, Seller shall (i) cause the Acquired Companies to use commercially reasonable efforts to carry on their respective businesses in the ordinary course of business and substantially in the same manner as currently conducted and (ii) use its commercially reasonable efforts to preserve intact in all respects the business organization of the Transferred Business.

(b) Seller covenants and agrees that, from the date hereof until the Closing Date, except as otherwise provided for by this Agreement or consented to in advance in writing by Buyer, none of the Acquired Companies will take any action which, if taken after the Balance Sheet Date, would be required to be disclosed on Schedule 4.07(b) of the Disclosure Schedules.

6.02 Access.

(a) From the date hereof until the Closing Date, the Osmose Entities shall provide Buyer and its authorized representatives ("Buyer's Representatives") with access deemed reasonable by the Osmose Entities, during normal business hours, upon reasonable notice and in a manner so as not to interfere with the normal business operations of the Osmose Entities and their Subsidiaries, to the offices, properties, books and records of the Osmose Entities and their Subsidiaries in order for Buyer to have the opportunity to make such investigation as it shall reasonably desire to make of the affairs of the Osmose Entities and their Subsidiaries (except that Buyer shall conduct no environmental investigation, sampling or testing of soil, groundwater, building materials or other environmental media including of the sort commonly referred to as a "Phase II environmental assessment"). Buyer shall comply with, and shall cause Buyer's Representatives to comply with, all of their obligations under the Confidentiality Agreement, dated April 23, 2013, between Koppers Holdings Inc. and Seller (the "Confidentiality Agreement"), with respect to the information disclosed pursuant to this Section 6.02, and such Confidentiality Agreement will remain in full force and effect.

(b) In order to facilitate the transition of the Acquired Companies to ownership by Buyer, upon Buyer's request, the parties shall establish a transition planning team of at least six members (the "Transition Team") comprised of an equal number of representatives

of Buyer and the Osmose Entities, which shall be responsible for using commercially reasonable efforts to facilitate a planning process to ensure the successful transition of the Osmose Entities to ownership by Buyer. Upon Buyer's request, subject to applicable Law, the Transition Team shall be responsible for using commercially reasonable efforts to develop a plan for the transition of the Osmose Entities to ownership by Buyer from and after the Closing and shall confer on a regular and continued basis regarding the status of the transition planning process. Upon Buyer's request, Seller shall cause the Osmose Entities to devote sufficient resources to the Transition Team and share information as necessary to achieve the objectives set forth in this Section 6.02(b), subject to applicable Law. Nothing under this Section 6.02(b) shall require Buyer to expend any amounts prior to the Closing, and the provisions of this Section 6.02(b) shall terminate concurrently with the Closing.

6.03 Regulatory Filings.

(a) Buyer and Seller shall promptly after the date hereof make or cause to be made all necessary filings and submissions under the HSR Act, any comparable applicable foreign competition or antitrust Laws and any other Laws applicable to Buyer and its Affiliates for the consummation of the transactions contemplated herein, with such filings and submissions being made in any event within ten (10) Business Days following the date hereof. Subject to applicable Laws relating to the exchange of information, Seller and the Osmose Entities shall have the right to review in advance, and to the extent practicable shall have the right to consult with Buyer on, all the information that appears in any such filings (and Buyer shall consider in good faith the views of the Osmose Entities in connection therewith). In exercising the foregoing right, Seller and the Osmose Entities shall act reasonably and as promptly as practicable. Subject to applicable Laws relating to the exchange of information, Buyer shall have the right to review in advance, and to the extent practicable the right to consult with Seller or the Osmose Entities (as applicable) on, all the information that appears in any filings or other communications made by Seller or the Osmose Entities to any competition or antitrust authority in connection with the transactions contemplated herein (and Seller or the Osmose Entities, as applicable, shall consider in good faith the views of Buyer in connection therewith).

(b) Buyer shall comply with any reasonable additional requests for information, including requests for production of documents and production of witnesses for interviews or depositions, by any Governmental Bodies. Seller shall comply with any additional requests for information, including requests for production of documents and production of witnesses for interviews or depositions, by any Governmental Bodies. In addition, Buyer shall cooperate in good faith with the Governmental Bodies and undertake (with the reasonable cooperation of Seller and the Osmose Entities, which Seller and the Osmose Entities undertake to give) to use its commercially reasonable efforts to complete lawfully the transactions contemplated by this Agreement; except that nothing in this clause, or otherwise, shall oblige Buyer to give any undertakings or otherwise make any commitments to procure the approval of the relevant competition or antitrust authorities for the transactions contemplated by this Agreement, including making any divestiture of Buyer's or Seller's business (or any part of their businesses) or holding separate any asset(s) or business(es). Buyer shall be responsible for the filing fees under the HSR Act, under any comparable applicable foreign competition or antitrust

laws and under any such other laws or regulations applicable to Buyer. Buyer shall use its commercially reasonable efforts to cause the filings under the HSR Act to be considered for grant of "early termination."

(c) Buyer shall keep Seller and the Osmose Entities apprised of the status of all filings and submissions referred to in Section 6.03(a) above, including promptly furnishing Seller and the Osmose Entities with copies of notices or other communications received by Buyer in connection therewith and, subject to applicable Law, including applicable Laws relating to the exchange of information, permitting Seller and the Osmose Entities to review in advance any proposed written communication by Buyer or its Affiliates in connection therewith (and considering in good faith the views of Seller and the Osmose Entities in connection therewith). Buyer shall not permit any of its Affiliates, officers, employees or other representatives or Agents to participate in any meeting with any Governmental Body in respect of such filings and submissions unless it consults with Seller and the Osmose Entities in advance and, to the extent permitted by such Governmental Body, gives Seller and the Osmose Entities the opportunity to attend and participate thereat. Seller or the Osmose Entities, as applicable, shall keep Buyer apprised of the status of all communications made to any competition or antitrust authority in connection with the transactions contemplated herein, including promptly furnishing Buyer with copies of notices or other communications received by Seller or the Osmose Entities in connection therewith and, subject to applicable Law, permitting Buyer to review in advance any proposed written communication by Seller or the Osmose Entities in connection therewith (and considering in good faith the views of Buyer in connection therewith). Seller and the Osmose Entities shall not permit any of their Affiliates, officers, employees or other representatives or Agents to participate in any meeting with any Governmental Body concerning transactions contemplated herein unless they consult with Buyer in advance and give Buyer the opportunity to attend and participate thereat.

(d) The parties may, as they deem advisable and necessary, designate any competitively sensitive materials provided to the other as "outside counsel only." Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of the party providing such materials.

6.04 Conditions.

(a) Seller and each of the Osmose Entities shall use commercially reasonable efforts to cause the conditions set forth in Section 2.01 hereof to be satisfied and to consummate the transactions contemplated herein as soon as reasonably possible after the satisfaction of the conditions set forth in Section 2.01 (other than those to be satisfied at the Closing).

(b) Buyer shall use commercially reasonable efforts to cause the conditions set forth in Section 2.02 hereof to be satisfied and to consummate the transactions contemplated herein as soon as reasonably possible after the satisfaction of the conditions set forth in Section 2.02 (other than those to be satisfied at the Closing).

6.05 Exclusive Dealing. During the period from the date of this Agreement through the Closing Date or the earlier termination of this Agreement pursuant to Section 8.01 hereof, neither Seller nor its controlled Affiliates shall take or permit (and Seller shall cause the Restricted Parties not to take or permit) any other Person on its behalf to take any action to encourage, initiate or engage in discussions or negotiations with, or provide any information to, any Person (other than Buyer and its representatives) concerning any purchase of the Shares, any merger involving an Acquired Company, any sale of substantially all of the Assets of any Acquired Company, or other similar transaction involving the Acquired Companies (other than Assets sold in the ordinary course of business).

6.06 Notification.

(a) From the date of this Agreement until the Closing Date, Seller shall promptly disclose to Buyer in writing (i) any material variances from the representations and warranties of Seller or any fact or event that constitutes a material breach of the covenants in this Agreement made by Seller, as applicable, in each case that would cause or reasonably be expected to cause any of the conditions set forth in Section 2.01 not to be satisfied, (ii) any notice or other communication from any Person alleging that the Consent of such Person is or may be required in connection with the transactions contemplated by this Agreement or any other Transaction Document, and (iii) any written notice from any Person or any Governmental Body that such Person or Governmental Body has instituted or intends to institute a proceeding or, in the case of a Governmental Body, make an Order or decision, at or prior to the Closing which would reasonably be expected to have the effect of prohibiting or materially delaying the consummation of the transactions contemplated hereby in any jurisdiction.

(b) From time to time prior to the Closing, Seller shall have the right to supplement the Disclosure Schedules with respect to any matter occurring after the date of this Agreement that, if such matter had existed or occurred or otherwise been known to Seller prior to the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedules. Such disclosures pursuant to this Section 6.06 shall amend and supplement the applicable Disclosure Schedules delivered on the date hereof and attached hereto; provided that such disclosures shall not be deemed to amend and supplement the applicable Disclosure Schedules for purposes of the conditions to closing set forth in Section 2.01 above or Buyer's ability to terminate this Agreement pursuant to Section 8.01 below. If such disclosure supplement is delivered to Buyer on or at any time during the five (5) Business Day period immediately preceding the parties' projected Closing Date, Buyer may, in its sole discretion, choose to delay the Closing for a period of up to five (5) Business Days so that Buyer may consider fully the matter(s) disclosed in such supplement. Notwithstanding any provision in this Agreement to the contrary, (i) to the extent that any supplement to the Disclosure Schedules would entitle Buyer to terminate this Agreement pursuant to Section 8.01(b), unless Buyer provides Seller with a termination notice within five (5) Business Days after delivery by Seller of such supplement, Buyer shall be deemed to have waived its right to terminate this Agreement or prevent the consummation of the transactions contemplated by this Agreement pursuant to Section 2.01 and to have accepted such supplement for all purposes under this Agreement (including for purposes of indemnification pursuant to Article 9) and (ii) to the extent that any supplement to the Disclosure Schedules would not entitle Buyer to terminate this Agreement

pursuant to Section 8.01(b), such supplement shall serve to update the Disclosure Schedules for purposes of Section 2.01, but shall be disregarded for purposes of indemnification pursuant to Article 9.

6.07 Sensitive Information. Notwithstanding the obligations set forth in this Article 6 to the contrary, the Acquired Companies may withhold from Buyer (a) any document or information that is subject to the terms of a confidentiality agreement with a third party or (b) such portions of documents or information relating to pricing or other matters that are highly sensitive if the exchange of such documents (or portions thereof) or information, as determined by the Acquired Companies' outside counsel, might reasonably result in antitrust difficulties between the Osmose Entities and Buyer or any of their respective Affiliates.

6.08 Audited Financial Statements.

(a) Seller shall use commercially reasonable efforts to cause to be delivered to Buyer, as soon as practicable following the date of this Agreement, a true and correct copy of the Audited Financial Statements (as defined herein) of the Transferred Business as of December 31, 2013 and 2012, and for each of the three years in the period ended December 31, 2013. Such Audited Financial Statements will include the audited combined balance sheet of the Transferred Business as of December 31, 2013 and 2012, and the related audited combined statements of income, comprehensive income (loss), stockholder's equity and cash flows for each of the three years in the period ended December 31, 2013, and the related notes to the combined financial statements (collectively, the "Audited Financial Statements"). Such Audited Financial Statements will include one report on the Audited Financial Statements from Deloitte without qualification, limitation of scope, or exception of Deloitte (except for limited component references in respect of those Acquired Companies not organized in the United States regarding the fact that a portion of such audit was not performed by Deloitte) with respect thereto. With respect to each of those Acquired Companies not organized in the United States to which such component references in the Audited Financial Statements relate, Seller shall provide true and correct copies of the audited balance sheets as of December 31, 2013 and 2012, and the related audited statements of income, stockholder's equity and cash flows of each such Acquired Company for the years ended December 31, 2011, December 31, 2012, and December 31, 2013 (with footnotes and other customary presentation items), together with reports without qualification, limitation of scope, or exception from the applicable local auditors for each such Acquired Company (which reports and the related auditor's name will not be publicly disclosed by Buyer without such auditor's prior written consent). For the avoidance of doubt, disclosure to the Financing Sources of the reports described in the immediately preceding sentence and in Section 2.01(o) shall not be construed as public disclosure. The Audited Financial Statements shall contain footnotes and other customary presentation items.

(b) In addition, Seller shall use commercially reasonable efforts to cause Seller's auditors to cooperate with Buyer and Buyer's auditors and to cause the Audited Financial Statements to be delivered by Seller to Buyer in accordance with Section 6.08(a) to be prepared in accordance with, and contain the line items and other requirements set forth in, Schedule 6.08(b) (but compliance with this Section 6.08(b) shall not in any way be a condition to the Closing (including pursuant to Section 2.01(b)).

(c) After the date hereof and prior to the Closing Date, (i) for each full calendar month beginning March 1, 2014, Seller shall cause to be delivered to Buyer within 30 days after the last day of such month an unaudited condensed combined balance sheet of the Transferred Business at the last day of such month and unaudited condensed combined statements of income of the Transferred Business, for such month and the year-to-date period then ended, and (ii) for each full calendar quarter beginning with the first calendar quarter of 2014, Seller shall cause to be delivered to Buyer within 45 days after the last day of such quarter an unaudited condensed combined balance sheet of the Transferred Business at the last day of such quarter and unaudited condensed combined statements of income and cash flows of the Transferred Business, for such quarter and the year-to-date period then ended (collectively, the "Interim Financial Statements").

(d) The costs and expenses of the preparation of the Audited Financial Statements shall be borne equally by Buyer and Seller, regardless of whether the Closing occurs, and Buyer shall reimburse Seller for all such costs and expenses within three (3) Business Days following delivery of invoices therefor; provided that any incremental costs and expenses incurred as a result of complying with Section 6.08(b) or otherwise causing the Audited Financial Statements to comply with Schedule 6.08(b) shall be borne solely by Buyer.

6.09 Osmose Unpaid Transaction Expenses. Except as paid by Buyer at the direction of Seller in accordance with Section 1.04(c), Seller will pay and discharge all Osmose Unpaid Transaction Expenses, and Buyer, the Osmose Entities and their respective Subsidiaries shall have no Liability for any Osmose Unpaid Transaction Expenses.

6.10 Intercompany Accounts and Intercompany Arrangements. Except (a) for the Transaction Documents to be entered into in connection with this Agreement, (b) for trade payables or Receivables arising in the ordinary course of business that are reflected in the Estimated Net Working Capital, or (c) as set forth in Schedule 6.10 of the Disclosure Schedules, effective at least one (1) Business Day prior to the Closing, all intercompany accounts among Seller and its Affiliates (excluding the Osmose Entities), and any Seller Affiliated Party, on the one hand, and the Osmose Entities, on the other hand, shall be settled or otherwise eliminated in such a manner as Seller shall determine in its sole discretion. Intercompany balances and accounts solely between the Osmose Entities shall not be affected by this provision.

6.11 Financing.

(a) Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange, obtain and consummate the Financing as promptly as practicable (but in any event not prior to the consummation of the Marketing Period) on the terms and conditions described in the Debt Commitment Letter (including the exercise of any so-called "flex" provisions in any Fee Letter), including reasonable best efforts to (i) maintain in full force and effect the Debt Commitment Letter, (ii) negotiate and enter into definitive agreements with respect thereto on the terms and conditions contained in the Debt Commitment Letter, (iii) comply with and satisfy on timely basis (or obtain waiver of) all terms, covenants and conditions applicable to Buyer that are in its control to obtaining the Financing set forth in the Debt Commitment Letter and the definitive agreements related thereto such that the Financing will be able to be consummated at

or prior to the Closing Date, and (iv) consummate the Financing at or prior the Closing Date subject to the terms and conditions described in the Debt Commitment Letter, and it being understood that Buyer shall not be in breach of its obligations set forth above on account of the effects of any inaccuracies in the representations and warranties of Seller set forth herein or any failure by Seller or the Osmose Companies to comply with their respective obligations hereunder.

(b) Buyer shall keep Seller informed with respect to all material activity concerning the status of the Financing and shall give Seller prompt notice of any change with respect to the Financing. Without limiting the foregoing, Buyer shall notify Seller promptly, and in any event within two (2) Business Days, if at any time (i) the Debt Commitment Letter shall expire or be terminated for any reason, (ii) any Financing Source notifies Buyer that such Financing Source no longer intends to provide any of the Financing to Buyer on the terms set forth in the Debt Commitment Letter, or (iii) Buyer is aware of any actual or potential material breach, default, termination or repudiation by any party to the Debt Commitment Letter or definitive agreements relating to the Debt Commitment Letter or any material dispute or disagreement between or among the parties to the Debt Commitment Letter or definitive agreements relating to the Debt Commitment Letter with respect to the obligation to fund the Financing or the amount of the Financing to be funded at Closing (including any proposal by any Financing Source or any lender named in the Debt Commitment Letter to withdraw, terminate, reduce the amount of Financing or delay the timing of the Financing).

(c) Buyer shall not, without Seller's prior written consent, (1) permit any amendment, restatement, supplement or modification to, or any waiver of any provision or remedy under, the Debt Commitment Letter, any Fee Letter or any definitive agreement related thereto unless the terms of the Debt Commitment Letter or definitive agreements related thereto, in each case as so amended, restated, supplemented modified or waived, are substantially similar to those in the Debt Commitment Letter or definitive agreement related thereto, prior to giving effect to such amendment, restatement, supplement, modification or waiver (other than economic terms which shall, taken as a whole, be as good as or better for Buyer than those in the Debt Commitment Letter or definitive agreement relating thereto prior to giving effect to such amendment, restatement, supplement, modification or waiver); provided that in the case of amendments, restatements, supplements or modifications of, or any waiver of any provision or remedy under, any Debt Commitment Letter, any Fee Letter or a definitive agreement relating thereto, the foregoing shall only apply if such amendment, restatement, supplement, modification or waiver (i) would reasonably be expected to (A) adversely affect the ability or likelihood of Buyer timely consummating the transactions contemplated by this Agreement or (B) make the timely funding of the Financing or the satisfaction of the conditions to obtaining the Financing less likely to occur or delay the timing of the Financing, (ii) reduces the amount of the Financing, (iii) adversely affects the ability of Buyer to enforce its rights against the Financing Sources to require such them to provide the Financing; or (iv) impose new or additional conditions precedent or change the conditions precedent set forth therein, or (2) consent to the early termination of the Debt Commitment letter. Upon any such permitted amendment, restatement, supplement, waiver or modification or replacement of the Debt Commitment Letter or any Fee Letter (subject to the type of redaction permitted by Section 5.07), (1) Buyer shall promptly deliver to Seller true, correct and complete copies thereof (including all exhibits, schedules,

annexes and amendments thereto in effect), and (2) the defined term "Financing," as used herein shall mean the Financing as so amended, restated, supplemented or modified, waived or replaced. Except to the extent Buyer has arranged Alternate Financing pursuant to this Section 6.11, Buyer shall use reasonable best efforts to maintain the effectiveness of the Debt Commitment Letter until the transactions contemplated by this Agreement are consummated.

(d) Subject to the terms and conditions of the Debt Commitment Letter, Buyer shall use it reasonable best efforts to cause the Financing Sources to provide the Financing on the Closing Date (including by taking enforcement action to cause such Financing Sources providing such Financing to comply with their obligations under the Debt Commitment Letter), and, subject to the terms and conditions of the Debt Commitment Letter, to fund such Financing.

(e) If any portion of the Financing becomes unavailable on the terms and conditions contemplated in the Debt Commitment Letter, Buyer shall promptly notify Seller and shall use its reasonable best efforts to arrange and promptly obtain alternative financing from alternative sources on terms and conditions not materially less favorable, in the aggregate, to Buyer than those contained in the Debt Commitment Letter and in an amount sufficient to consummate the transactions contemplated hereby (the "Alternate Financing"), and to obtain a new financing commitment letter with respect to such Alternate Financing (together with any related Fee Letter, the "New Debt Commitment Letter") which shall replace the existing Debt Commitment Letter, a true, complete and correct copy of which shall be provided by Buyer to Seller promptly and, in any event, within twenty four (24) hours after Buyer obtains it. In the event any New Debt Commitment Letter is obtained, (i) any reference in this Agreement to the "Financing" shall mean, with respect to the Financing, the debt financing contemplated by the Debt Commitment Letter as modified pursuant to clause (ii) below, and (ii) any reference in this Agreement to the "Debt Commitment Letter" shall be deemed to include the Debt Commitment Letter, to the extent not superseded by the New Debt Commitment Letter, at the time in question and the New Debt Commitment Letter, to the extent then in effect. Subject to the limitations set forth in Sections 12.15(c) and 12.16, for the avoidance of doubt and notwithstanding any other provision to the contrary herein, Buyer acknowledges and agrees that its obligation to consummate the transactions contemplated by this Agreement on the terms and subject to the conditions set forth herein are not conditioned upon the availability or consummation of the Financing, the availability of any Alternate Financing or receipt of the proceeds therefrom.

6.12 Seller and Acquired Companies Financing Assistance. Prior to the Closing, Seller shall, and shall cause the Acquired Companies to, at the sole expense of Buyer, use its and their commercially reasonable efforts to provide such cooperation as may be reasonably requested by Buyer in connection with the arrangement of the Financing to be consummated in connection with the transactions contemplated by this Agreement, including, without limitation, using commercially reasonable efforts, at the sole expense of Buyer, to:

(a) as promptly as reasonably practicable provide Buyer (and Buyer may share such information in accordance with this Agreement with the Financing Sources providing the Financing), following the delivery of a written request therefor to Seller by Buyer, with a combined balance sheet and related combined statement of income of the Transferred

Business as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least 90 days prior to the Closing Date (if such period is a fiscal year or is the fourth fiscal quarter of any fiscal year) or at least 60 days prior to the Closing Date (if such period is a fiscal quarter other than the fourth fiscal quarter of any fiscal year);

(b) upon reasonable prior notice, make management of the Acquired Companies available to participate in and to assist in preparing for a reasonable number of meetings, presentations, due diligence sessions, drafting sessions, road shows, rating agency presentations and sessions with prospective Financing Sources and potential lenders or investors in the Financing, at times and at locations reasonably acceptable to Seller;

(c) solely to the extent required by the conditions precedent in the Debt Commitment Letter and subject to any "funds certain" provisions therein, facilitate the granting of a security interest in collateral, guarantees, mortgages, other definitive financing security documents or other certificates or documents as may reasonably be requested by Buyer or the Financing Sources that are related to the Financing; provided, that any obligations and releases of Liens contained in all such agreements and documents shall be subject to the occurrence of the Closing and become effective no earlier than concurrently with the occurrence of the Closing;

(d) obtain a certificate of the chief financial officer or individual performing similar functions of each of the Acquired Companies with respect to solvency matters to the extent required to consummate the Financing, and provide customary authorization and representation letters with respect to a customary bank information memoranda contemplated by the Debt Commitment Letter;

(e) furnish all documentation and other information required by any Governmental Body under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S.A. Patriot Act of 2001, but in each case, solely as relating to the Acquired Company and solely to the extent required by the conditions precedent in the Debt Commitment Letter and requested at least ten days prior to the Closing Date; and

(f) assist in the preparation, execution and delivery of the credit agreement, pledge and security documents and other definitive financing documents related to the Financing as may be reasonably requested by Buyer, in each case, to the extent required by the Debt Commitment Letter; provided any such agreements or documents shall not become effective until after the occurrence of the Closing;

provided, that, notwithstanding anything to the contrary, (1) until the Closing occurs, neither Seller nor any Acquired Company shall (i) have any Liability or any obligation under any agreement or document related to the Financing (other than with respect to representations made in the authorization and representation letters made to the Financing Sources and potential lenders and investors in the Financing described above in clause (d)) and (ii) not be required to incur any other Liability in connection with the Financing, (2) such cooperation shall not unreasonably interfere with the ongoing operations of Seller, its Affiliates or the Acquired Companies and is subject to customary confidentiality arrangements, (3) neither Seller nor the

Acquired Companies shall be required to pay any commitment or other similar fee or incur any liability or obligation in connection with the Financing, (4) neither Seller nor any of the Acquired Companies shall be required to issue any offering or information document or provide or deliver any legal opinion, (5) any cooperation shall not require Seller to waive or amend any terms of this Agreement, (6) neither Seller nor any of the Acquired Companies shall be obligated to adopt resolutions or execute consents to approve or authorize the Financing and (7) such cooperation shall not require Seller or any of the Acquired Companies to take any action that would conflict with any applicable law, the organizational documents of Seller, its Affiliates or the Acquired Companies or result in the contravention of, or would reasonably be expected to result in the violation or breach of, or default under, any material contract to which Seller, its Affiliates or any of the Acquired Companies is a party. Buyer shall, promptly upon request by Seller, reimburse Seller for all reasonable and documented out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by Seller or the Acquired Companies in connection with the cooperation of Seller and the Acquired Companies contemplated by this Section 6.12 (without duplication of any reimbursement pursuant to the preceding sentence).

Buyer shall indemnify and hold harmless the Acquired Companies and their respective representatives from and against any and all claims, losses, Liabilities, damages, judgments, fines, penalties, fees, costs and expenses, including reasonable attorneys' fees and disbursements, and amounts paid in settlement resulting from any action required to be taken under this Section 6.12, except to the extent directly and actually arising out of or relating to fraud or intentional misrepresentation of Seller or any Acquired Company. Seller hereby consents to the use of the Acquired Companies' logos in connection with the Financing; provided, that such logos are used solely in a manner that is not intended to, or reasonably likely to, harm or disparage any Acquired Company or the reputation or goodwill of any Acquired Company or its business or products, and, provided further, that Seller shall be permitted to review the use of such logos prior to any such use.

6.13 Copper Hedging Contracts.

(a) Without limitation of Section 6.01(b), Seller covenants and agrees that, from the date hereof until the Closing Date, prior to Seller or any Acquired Company entering into any hedging Contract (which shall include any new hedging positions entered into or added under any existing umbrella hedging Contract that allows for multiple hedging positions thereunder) relating to copper prices, Seller shall request in writing whether Buyer approves of such copper hedging Contract or position being entered into. Buyer shall have three (3) Business Days after receipt of Seller's delivery of such request to consent in writing to the entry into such copper hedging Contract or position. If Buyer does not consent in such timeframe, and Seller or Acquired Company, as applicable, nonetheless enters into such copper hedging Contract or position, such copper hedging Contract or position shall be deemed an "Excluded Copper Hedging Contract" for purposes of the definitions of "Net Breakage Benefits" and "Net Breakage Costs" hereunder. If Buyer consents to such copper hedging Contract or position, such copper hedging Contract or position shall be deemed to be added to Schedule 11.3 for all purposes hereunder.

(b) From the date hereof until the Closing Date, Seller shall use commercially reasonable efforts to cause those Contracts or positions designated as "Designated Copper Hedging Contracts" on Schedule 11.3 (or designated as "Designated Copper Hedging Contracts" in a written notice from Seller with respect to those copper hedging Contracts or positions consented to by Buyer in accordance with Section 6.13(a)) to be assigned to an Acquired Company, to the extent that such Contracts or positions are assignable pursuant to their terms and under applicable law. Any such Contracts or positions so assigned prior to the Closing shall be deemed an "Excluded Copper Hedging Contract" for purposes of the definitions of "Net Breakage Benefits" and "Net Breakage Costs" hereunder.

6.14 Release of Security.

(a) Buyer acknowledges that Seller or its Affiliates may have provided in favor of the Osmose Entities or the Transferred Business certain letters of credit, guaranties or other payment bonds from time to time. At or prior to the Closing, Buyer shall cause Seller or its Affiliates, as applicable, to be released from such obligations set forth on Schedule 6.14 of the Disclosure Schedules, and if required in connection with doing so, shall furnish any new letters of credit, guaranties, or other security required in connection therewith.

(b) Without limitation of Section 6.01(b), Seller covenants and agrees that, from the date hereof until the Closing Date, prior to Seller or any Affiliate entering into any new letter of credit, guaranty or other payment bond in favor of the Osmose Entities or the Transferred Business (other than those designated as "Anticipated Bonds" on Schedule 6.14(a) of the Disclosure Schedules, the entry into which Buyer hereby provides its approval), or materially increasing the amount of any letter of credit, guaranty or other payment bond in favor of the Osmose Entities or the Transferred Business, Seller shall request in writing whether Buyer approves of Seller's or its Affiliates' entry into such letter of credit, guaranty or other payment bond (or such material increase thereto), such approval not to be unreasonably withheld, conditioned or delayed. Buyer shall have three (3) Business Days after receipt of Seller's delivery of such request to consent in writing to the entry into such letter of credit, guaranty or other payment bond (or material increase thereto). If Buyer does not consent in such timeframe, and Seller or its Affiliate nonetheless enters into such arrangement, Buyer shall have no obligation under Section 6.14(a) to have Seller or its Affiliates released from such arrangement. If Buyer consents to such arrangement, such arrangement shall be deemed to be included on Schedule 6.14 of the Disclosure Schedules for purposes of Section 6.14(a).

ARTICLE 7

ADDITIONAL AGREEMENTS

7.01 Access. From and after the Closing, Buyer shall cause the Acquired Companies to provide Seller and its authorized representatives, and Seller shall provide the Acquired Companies and their respective authorized representatives, with reasonable access (for the purpose of examining and copying), during normal business hours, to the personnel, books and records of the Acquired Companies and Seller, as applicable, with respect to periods or occurrences prior to the Closing Date in connection with any matter, whether or not relating to or

arising out of this Agreement, the Transition Services Agreement or the transactions contemplated hereby; provided that (a) the foregoing obligations shall in all cases be subject to applicable privilege and third party confidentiality limitations, and (b) no party shall be required under this Section 7.01 to provide any access or information in relation to any dispute or Action between or among parties hereunder. Unless otherwise consented to in writing by Seller, Buyer shall not, and shall not permit the Acquired Companies to, for a period of three (3) years following the Closing Date, destroy, alter or otherwise dispose of any books and records of the Acquired Companies, or any portions thereof, relating to periods prior to the Closing Date without first giving reasonable prior notice to Seller and offering to surrender to Seller such books and records or such portions thereof.

7.02 Director and Officer Liability and Indemnification.

(a) For a period of six (6) years after the Closing, Buyer shall not, and shall ensure that the Acquired Companies do not, amend, repeal or modify any provision in the Acquired Companies' certificates of incorporation or bylaws relating to the exculpation, indemnification or advancement of expenses of any officers and directors in any way that diminishes or adversely affects the exculpation, indemnification or advancement of expenses provided therein (unless required by Law), it being the intent of the parties that the officers and directors of the Acquired Companies who were officers and directors prior to the Closing (each, a "D&O Indemnified Person") shall continue to be entitled to such exculpation, indemnification and advancement of expenses to the full extent provided for under applicable Law and in the Acquired Companies' certificates of incorporation or bylaws as of immediately prior to the Closing.

(b) At or prior to the Closing, Seller shall, or shall cause the Acquired Companies to, obtain, and maintain irrevocable "tail" insurance policies naming the D&O Indemnified Persons as direct beneficiaries, with a claims period of at least six (6) years from the Closing Date, from an insurance carrier with the same or better credit rating as the Acquired Companies' current insurance carrier with respect to directors' and officers' liability insurance and in an amount and scope at least as favorable as the Acquired Companies' existing policies, with respect to matters existing or occurring at or prior to the Closing Date. Buyer shall not, and shall cause the Acquired Companies not to, cancel or change such insurance policies in any respect. The costs of obtaining such policies shall be borne equally by Buyer and Seller.

(c) In the event Buyer, any of the Acquired Companies, or any of their respective successors or assigns, (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger, or (ii) transfers all or substantially all of its properties and assets to any Person, then and in either such case proper provision shall be made so that the successors and assigns of Buyer or the applicable Acquired Company, as the case may be, shall assume the obligations set forth in this Section 7.02. The provisions of this Section 7.02 shall survive the consummation of the transactions contemplated by this Agreement and are expressly intended to benefit each of the D&O Indemnified Persons.

7.03 Employment and Benefit Arrangements. For a period of at least one (1) year following the Closing Date, Buyer shall cause the Acquired Companies to provide

compensation and benefits to employees and former employees of the Acquired Companies no less favorable, in the aggregate, than those to which such employees and former employees were entitled, including under the Plans, as of the date hereof. Buyer shall take all actions required so that all employees of the Acquired Companies shall receive service credit for all periods of service with the Acquired Companies or any of their predecessors prior to the Closing Date for all purposes under any benefit or compensation plans, Contracts, programs, policies arrangements and agreements established or maintained by Buyer and its Affiliates (including, after the Closing, the Acquired Companies) (the "Buyer Benefit Plans") other than for benefit accrual purposes under any Buyer Benefit Plan that is a defined benefit plan. Buyer shall take all necessary actions to waive or cause to be waived any waiting periods, pre-existing conditions or actively-at-work requirements for employees (and, where applicable, the dependents and beneficiaries of the employees) of the Acquired Companies under all Buyer Benefit Plans and to give such employees (and, where applicable, the dependents and beneficiaries of the employees) credit under all Buyer Benefit Plans for deductibles, co-payments and out-of-pocket expenses that have been paid or incurred by the employees or their dependents. Buyer and its Affiliates will be solely responsible for any obligations arising under Section 4980B of the Code with respect to all "M&A qualified beneficiaries" as defined in Treasury Regulation Section 54.4980B-9 that are set forth on Schedule 7.03. This Section 7.03 shall survive the consummation of the transactions contemplated by this Agreement and shall be binding on all successors and assigns of Buyer and the Acquired Companies, as the case may be.

7.04 Contact with Business Relations. Prior to the Closing, Buyer and its representatives shall contact and communicate with the employees, customers, suppliers and other business relations of the Acquired Companies in connection with the transactions contemplated hereby only with the prior written consent of Seller.

7.05 Employee Matters. Buyer will indemnify the Seller Indemnities from and against any Losses (as defined below) that may be incurred by them (a) under the WARN Act (or any similar state or local Law with respect to plant closing, layoff or relocation) arising at or after the Closing as a result of any action or omission of the Acquired Companies occurring at or after the Closing or (b) with respect to any obligation to provide notice, payment or any other benefit as a result of or arising out of any termination of employment of any employee of the Acquired Companies at or after the Closing.

7.06 [RESERVED.]

7.07 Insurance.

(a) Except as provided in Section 7.07(b), and except with respect to the PLL Policy, and except as to insurance policies issued to any Acquired Company as a named insured which are included in the Assets, neither Buyer nor any Acquired Company shall have the right to make claims after the Closing Date under insurance policies issued prior to the Closing Date by third parties that may have provided coverage to any Acquired Company as an Affiliate of Seller.

(b) Notwithstanding the provisions of Section 7.07(a), Seller shall, and shall cause the Acquired Companies to, keep each of the workers compensation insurance

policies and the other insurance policies which provide coverage for the Acquired Companies as of the date hereof (the "Certain Policies"), or suitable replacements therefor, in full force and effect through the Closing. With respect to claims relating to acts, omissions, events or circumstances relating to employees of the Transferred Business and of the Acquired Companies that occurred or existed prior to the Closing that are covered by the Certain Policies that are occurrence-based, or which are covered by any other occurrence-based insurance coverage which covers the Acquired Companies prior to the Closing (the "Pre-Closing Claims"), Seller (or a claims handler appointed by Seller) shall use commercially reasonable efforts to administer and pursue such Pre-Closing Claims, and collect from such provider all payments associated therewith, on behalf of the Acquired Companies. Buyer shall cooperate, and shall cause the Acquired Companies to cooperate, with Seller in order to fully enable Seller to comply with the requirements of the relevant insurer, and shall provide, and shall cause the Acquired Companies to provide, such information and assistance as Seller may reasonably request in connection with any such claim. Buyer agrees to pay all reasonable out of pocket expenses (including all deductible amounts and reasonable fees and expenses of third parties attributable to the handling of such claims) relating to services for claims administration, investigation, appraisals, and claim review incurred on or after the Closing Date with respect to any Pre-Closing Claims.

7.08 Non-Solicitation of Employees; Non-Competition; Confidentiality.

(a) For a period of two (2) years from the Closing Date, without the prior written consent of Buyer, Seller will not and will cause its Subsidiaries and each of the Restricted Parties not to, directly or indirectly, hire, solicit, or cause to be solicited for employment any executive officers of the Transferred Business; provided, however, that the foregoing does not prohibit Seller or the Restricted Parties from (i) placing general advertisements for employment (including through the use of employment agencies) not specifically directed at any such Persons, or from hiring any Person who responds to any such general solicitation or (ii) soliciting for hire or hiring any Person whose employment is terminated by the applicable Acquired Company, Buyer, or any of their Affiliates, as applicable.

(b) Seller covenants and agrees that, without the prior written consent of Buyer, it shall not, and shall cause its Subsidiaries not to, for a period of five (5) years from the Closing Date, anywhere in the world, directly or indirectly, engage in or become associated as a partner, owner, Agent, stockholder, member, or otherwise operate a business with, any Person or organization (other than Buyer) engaged in, the Transferred Business (other than ownership of less than 5% of the shares of a publicly held corporation). Seller also covenants and agrees that, without the prior written consent of Buyer, it shall cause the Restricted Parties not to, for a period of two (2) years from the Closing Date, anywhere in the world, directly or indirectly, invest in or acquire all or substantially all of the assets of any Person or organization set forth on Schedule 7.08(b).

(c) Seller also covenants and agrees that, without the prior written consent of Buyer, it shall and shall cause its Subsidiaries and the Restricted Parties to, for a period of two (2) years from the Closing Date, (i) keep confidential all confidential, nonpublic or proprietary information and materials regarding Buyer and the Acquired Companies (except to the extent (x) disclosure of such information is required by Law, or (y) the information becomes

publicly known except through the actions or inactions of Seller or any such Subsidiary or Restricted Party), and (ii) in the event Seller or any Subsidiary or Restricted Party is required by Law to disclose any such information, such Person shall promptly notify Buyer in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and shall cooperate with Buyer to preserve the confidentiality of such information consistent with applicable Law; provided, that nothing in this Section 7.08 shall limit the Restricted Parties' ability to disclose the terms and provisions of this Agreement for marketing purposes in accordance with their customary practice or to their respective existing and prospective investors and lenders and the respective advisors and representatives of the foregoing.

7.09 Misallocated Assets. If, following the Closing, any right, property or asset not forming part of the Transferred Business is found to have been transferred to Buyer in error (as mutually determined by Buyer and Seller in good faith), either directly or indirectly (including as a result of the Restructuring), Buyer shall transfer, or shall cause its Affiliates (including the Acquired Companies) to transfer, at no cost to Seller, such right, property or asset (and any related Liability) as soon as practicable to Seller or one of its Affiliates, as indicated by Seller. If, following the Closing, any right, property or asset forming part of the Transferred Business is found to have been retained by Seller or any of its Affiliates in error (as mutually determined by Buyer and Seller in good faith), either directly or indirectly (including as a result of the Restructuring), Seller shall transfer, or shall cause its Affiliates to transfer, at no cost to Buyer, such right, property or asset (and any related Liability) as soon as practicable to Buyer or an Affiliate indicated by Buyer.

7.10 Property A. Buyer shall use commercially reasonable efforts to sell, within three (3) years after the Closing, that certain Owned Real Property described on Schedule 7.10 ("Property A"), with such sale being on an arms-length basis to an unrelated third party. Buyer shall otherwise have sole discretion to determine the terms and conditions, including the sales price, with respect to a sale of Property A. In the event that Buyer closes on the sale of Property A within the aforementioned 3-year period, Buyer shall pay to Seller an amount equal to seventy-five percent (75%) of the net proceeds with respect to the sale of Property A, in cash or via wire transfer of immediately available funds, within five (5) Business Days following Buyer's receipt of such proceeds, after Buyer deducts reasonable, out-of-pocket and documented costs it incurs with respect to any such sale, including Taxes, selling, marketing and closing costs, attorneys' fees, and brokerage fees.

7.11 Payments. Seller shall, or shall cause its applicable Affiliate to, promptly pay or deliver to Buyer (or its designated Affiliates) any monies or checks to the extent they are related to the Transferred Business or the Acquired Companies that have been sent to Seller or any of its Affiliates after the Closing Date by customers, suppliers, or other contracting parties of the Transferred Business or the Acquired Companies. Buyer shall, or shall cause its applicable Affiliate to, promptly pay or deliver to Seller (or its designated Affiliates) any monies or checks to the extent they are related to the Excluded Business or the Seller or its Affiliates (other than the Acquired Companies) that have been sent to Buyer or any of its Affiliates after the Closing Date by customers, suppliers, or other contracting parties.

7.12 Contract and Permit Consents.

(a) Non-Assignable Contracts and Permits. Other than with respect to the Required Consents, to the extent that, with respect to any Contracts or Permits, the consummation of the transactions required by this Agreement requires any Consent, and such Consent has not been, or cannot be, obtained at or prior to the Closing, this Agreement shall not constitute a contract to assign or transfer the same if an attempted assignment or transfer would constitute a breach or violation thereof or would in any way adversely affect the rights of Seller or the Acquired Companies thereunder. If any such Consent is required but not obtained at or prior to the Closing Date, and provided that Buyer consents in its sole and absolute discretion, Seller shall, in such case, continue to deal with the other contracting party or parties, with the benefits of such Contract after the Closing Date accruing to the benefit of the Acquired Companies; subject to Buyer's indemnifying and holding harmless the Seller Indemnitees against any Losses incurred by such party as a result of the Acquired Companies' performance or failure to perform their obligations under such Contract after the Closing. With respect to Contracts, Seller shall hold all moneys received thereunder for the benefit of the Acquired Companies and shall pay the same to Buyer promptly following receipt (net of any collection costs). Buyer shall provide Seller with such assistance, including, but not limited to, providing the appropriate staff and assets, reasonably required by Seller in order to so continue to deal with the other contracting party or parties or Governmental Bodies, as applicable. Buyer shall provide such assistance to Seller without charge to Seller; provided that, to the extent that any third party requests or requires any payment in connection with any Consent in connection with the assignment or transfer of any Contract pursuant to this Agreement, such payment shall be a Consent Payment Amount.

(b) Cooperation. Each of Buyer and Seller shall use its commercially reasonable efforts to provide all cooperation reasonably requested by the other (with the costs of such cooperation being borne by Buyer and Seller equally) in connection with the receipt of the Consents, including (i) participation in meetings with parties to Contracts and (ii) providing the other with information required by parties to Contracts and as reasonably requested by the other; provided that (x) the effectiveness of any instruments executed by Buyer, Seller or any of their respective Subsidiaries with respect thereto shall be subject to the consummation of the Closing and (y) nothing herein shall require any cooperation by Buyer or Seller to the extent it would unreasonably interfere with the business or operations of Buyer, Seller or their respective Subsidiaries.

(c) Modification. Notwithstanding anything to the contrary set forth in this Agreement, in connection with obtaining any Consents, neither Seller nor any of its Affiliates (including, prior to the Closing, for purposes of this Section 7.12, the Acquired Companies) shall, without the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed) (i) consent to or effect any modification of, or amendment to, applicable terms of any Contract which will be subject to the provisions of this Section 7.12, or (ii) otherwise obligate Buyer, the Acquired Companies or any of their respective Affiliates or Subsidiaries to take or omit to take any action.

7.13 Consent Payment Amounts. Buyer and Seller shall bear equally the full cost of all Consent Payment Amounts.

7.14 Compound Marks and Use of "Osmose" Name. Seller hereby assigns, sells, transfers, and conveys to Buyer for its own benefit and the benefit of its successors and assigns, all of Seller's right, title and interest in and to the portions of the trademarks in Section 3(d) of Schedule A that do not include the term "Osmose" or any derivations thereof, together with the related goodwill of the business represented thereby, and all the benefits, privileges, causes of action, and the exclusive rights to (i) apply for and maintain all registrations, renewals, or extensions thereof, (ii) enforce all rights and interest therein and thereto, including to sue for any future infringement and to collect all damages therefor for the Buyer's own benefit and the benefit of its successors and assigns, and (iii) grant licenses or other interests therein and thereto. The Acquired Companies will be licensed to use the term "Osmose" and any derivations thereof to use alone and in connection with the compound marks for the Transferred Business, subject to the terms and conditions of the Trademark License Agreement. For the avoidance of doubt, Seller makes no representations or warranties related to the partial trademarks that are subject to this Section 7.14.

ARTICLE 8

TERMINATION

8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Buyer and Seller;

(b) by Buyer, if there has been a material violation or breach by the Osmose Entities or Seller of any covenant, representation or warranty contained in this Agreement which has prevented or would prevent the satisfaction of any condition to the obligations of Buyer under Section 2.01 and such violation or breach has not been waived by Buyer or cured by the Osmose Entities or Seller within 15 calendar days after written notice thereof from Buyer;

(c) by Seller, if there has been a material violation or breach by Buyer of any covenant, representation or warranty contained in this Agreement which has prevented or would prevent the satisfaction of any condition to the obligations of the Osmose Entities and Seller under Section 2.02 and such violation or breach has not been waived by Seller or cured by Buyer within 15 calendar days after written notice thereof from Seller (provided that neither a breach by Buyer of Section 5.07 hereof nor the failure to deliver the full consideration payable pursuant to Article 1 under this Agreement at the Closing as required hereunder shall be subject to cure hereunder unless otherwise agreed to in writing by Seller); or;

(d) by either Buyer or Seller if the transactions contemplated hereby have not been consummated on or prior to July 31, 2014 (the "Outside Date", unless the Closing is delayed by Buyer in accordance with Section 6.06(b), in which case the Outside Date shall be extended by such period); provided, however, that (i) if the Marketing Period has commenced

prior to the Outside Date and has not been completed by the Outside Date, the Outside Date shall be extended to the date on which the Marketing Period is completed, and, in the event of such an extension, such date shall be the "Outside Date" for the purposes hereof; and (ii) either Buyer or Seller may elect to extend the Outside Date to September 15, 2014 upon prior written notice to the other delivered no later than July 28, 2014 (and if Seller so extends the Outside Date due to the fact that all of the conditions set forth in Section 2.01 will not be capable of being satisfied or waived by July 31, 2014, the Closing Consideration shall be reduced by the amount, not to exceed $250,000, of the extension fee charged by the Financing Sources due to such extension pursuant to the Debt Commitment Letter); provided, further, that in no case shall either Seller or Buyer be entitled to terminate this Agreement pursuant to this Section 8.01(d) if Seller's or Buyer's breach of this Agreement, as applicable, has prevented the consummation of the transactions contemplated hereby.

8.02 Effect of Termination. In the event of a termination of this Agreement by either Buyer or Seller under Section 8.01, the provisions of this Agreement shall immediately become void and of no further force or effect, and there shall be no Liability on the part of any of Buyer, the Osmose Entities or Seller to one another, except (i) that Article 12 shall remain in full force and effect in accordance with its terms, (ii) for breaches of the representations and warranties or covenants contained in this Agreement occurring prior to the time of such termination, and (iii) that the Confidentiality Agreement shall survive the termination of this Agreement for a period of five (5) years following the date of such termination (and, notwithstanding anything contained in this Agreement or the Confidentiality Agreement to the contrary, the Confidentiality Agreement term shall automatically be amended to be extended until the end of such five-year period).

ARTICLE 9

INDEMNIFICATION

9.01 Survival. The representations and warranties contained in Articles 3, 4, and 5, and the covenants and agreements contained in this Agreement, shall survive the Closing and shall terminate on the date that is twelve (12) months after the Closing Date, provided, however, that (a) the Seller Fundamental Representations shall survive indefinitely, (b) the representations and warranties contained in Section 4.09 (Tax Matters) and the indemnity in Section 10.01(j) shall survive until the expiration of the applicable statutes of limitation, (c) the representations and warranties contained in Section 4.11(f) (solely to the extent applicable to the patent disclosed on Schedule 4.11(f) of the Disclosure Schedules) shall survive until the date that is twenty four (24) months after the Closing Date, and (d) the covenants contained in Articles 6 and 7 shall terminate on the Closing Date unless a specific covenant contained in Articles 6 and 7 requires performance after the Closing Date, in which case such covenant shall survive in accordance with its terms.

9.02 Indemnification by Seller.

(a) From and after the Closing (but subject to the provisions of this Article 9), Buyer, the Acquired Companies, and each of their respective Affiliates, officers, directors, employees, Agents and representatives and each of the heirs, executors, successors and

assigns of any of the foregoing (the "Buyer Indemnitees") shall be indemnified by Seller in respect of any and all claims, Liabilities, obligations, losses, costs, expenses, interest, penalties, fines and judgments (at equity or at law), and damages, whenever arising or actually incurred (including amounts paid in settlement, reasonable costs of investigation, and reasonable attorneys' fees and expenses) (hereinafter individually, a "Loss" and collectively "Losses") suffered or incurred by the Buyer Indemnitees to the extent such Loss results from, or arises out of:

(i) a breach of any representation or warranty of Seller or the Osmose Entities contained in Article 3 or 4 of this Agreement, in each case taking into account any disclosure made pursuant to Section 6.06,

(ii) a breach of any covenant or agreement by Seller or the Osmose Entities contained in this Agreement that survives beyond the Closing Date,

(iii) any Excluded Liability, including any claims that may be made after the Closing against Seller or the Acquired Companies by third-parties relating to any Excluded Liability,

(iv) any Indebtedness as of the Closing unpaid following the Closing or any Osmose Unpaid Transaction Expenses, in each case, to the extent not taken into account in the determination of the final Purchase Price in Section 1.05, and

(v) Response Costs, Property A Response Costs, and Property B Response Costs.

All payments under this Section 9.02 shall be treated by the parties as an adjustment to the Purchase Price, to the extent permitted by applicable law. For the avoidance of doubt, the procedures set forth in this Section 9.02 shall not govern indemnification obligations of Seller related to Tax Matters to the extent set forth in Article 10. In the event of a conflict between the procedures set forth in this Section 9.02 and Article 10 related to Taxes, the provisions set forth in Article 10 shall control.

(b) Notwithstanding anything to the contrary set forth in this Agreement, even if a Buyer Indemnitee would otherwise be entitled to indemnification for a Loss pursuant to this Agreement: (i) (A) the Buyer Indemnitees shall not be entitled to indemnification for a Loss pursuant to this Agreement except to the extent the aggregate amount of all Losses eligible for indemnification pursuant to Section 9.02(a)(i) (other than the Special Indemnity, as defined below) exceeds on a cumulative basis an amount equal to $3,500,000 (the "General Deductible"), and then only to the extent such Losses exceed the General Deductible; and (B) the Buyer Indemnitees shall not be entitled to indemnification for a Loss in respect of any breach of the representations and warranties set forth in Section 4.11(f) solely to the extent applicable to the patent disclosed on Schedule 4.11(f) of the Disclosure Schedules (the "Special Indemnity"), except to the extent the aggregate amount of all Losses eligible for indemnification in respect of breach(es) thereof exceeds on a cumulative basis an amount equal to $250,000 (the

"Special Deductible"), and then only to the extent such Losses exceed the Special Deductible; provided, that neither the General Deductible nor the Special Deductible shall apply with respect to Buyer Indemnitee claims resulting from, arising out of, or relating to any (1) breach of a Seller Fundamental Representation or of Section 4.09 (Tax Matters), (2) any items set forth in clauses (ii)-(v) of Section 9.02(a), or (3) actual fraud in connection with this Agreement or the transactions contemplated hereby; (ii) the Buyer Indemnitees shall not be entitled to indemnification for a Loss pursuant to this Agreement consisting of or relating to Taxes with respect to any taxable period (or portion thereof) beginning after the Closing Date as a result of any breach of the representations and warranties contained in Article 3 or 4 of this Agreement (other than the representation and warranties set forth in Section 4.09(f); (iii) the Buyer Indemnitees shall not be entitled to any indemnification pursuant to Section 9.02(a) in excess of, in the aggregate, at any time an amount equal to $46,000,000 (the "Cap"); provided, that the Cap shall not apply with respect to Buyer Indemnitee claims resulting from, arising out of, or relating to any (A) breach of a Seller Fundamental Representation or of, any representation or warranty set forth in Section 4.09 (Tax Matters), (B) any items set forth in clauses (ii), (iii) or (iv) of Section 9.02(a), or (C) actual fraud in connection with this Agreement or the transactions contemplated hereby; and (iii) the Buyer Indemnitees shall not be entitled to any indemnification pursuant to this Agreement in excess of, in the aggregate, at any time an amount equal to the aggregate Closing Consideration received by Seller (as adjusted pursuant to Section 1.05); provided, that such limitation shall not apply with respect to Buyer Indemnitee claims resulting from, arising out of, or relating to any actual fraud in connection with this Agreement or the transactions contemplated hereby. If any representation or warranty of Seller contained herein or in any Schedule, Disclosure Schedule, Exhibit or certificate delivered pursuant to this Agreement is qualified or limited based on materiality, including the terms "material," "Material Adverse Effect," or any similar materiality or similar qualification or limitation (except with respect to the representations and warranties in Sections 4.06(a)-(c) (Financial Statements) and 4.07(a) (Absence of Material Adverse Effect) and reference to the terms "Material Contract"), such qualification or limitation shall be disregarded for purposes of determining the amount of Losses in respect of a breach thereof (but not for determining whether a breach has occurred).

(c) Notwithstanding anything to the contrary in this Agreement, the Buyer Indemnitees shall not be entitled to indemnification for Losses arising from a breach by Seller of Section 4.16 or with respect to any Response Action (including any Response Costs, Property A Response Costs or Property B Response Costs), except to the extent (i) such Response Action is required (A) by Environmental Laws, or (B) an unsolicited Order from a Governmental Body (or solely with respect to Property A or Property B, a threat of such Order), or (C) solely with respect to the Property A Response Costs or the Property B Response Costs (x) to attain compliance with applicable remedial standards established under applicable Environmental Laws for the industrial use of such property (or, for any offsite property affected by migration from Property A or Property B, the applicable remedial standards applicable to the current use of such offsite property), (y) to reduce concentrations of contaminants at such property to remedial target standards established under applicable Environmental Laws for the industrial use of such property (or, for any offsite property affected by migration from Property A or Property B, the applicable remedial standards applicable to the current use of such offsite property), or (z) to reduce concentrations of contaminants at such property to site specific target limits or comparable standards determined by an independent, nationally-recognized, third-party

environmental consultant owing a duty of care to both the Buyer Indemnitees and Seller and using a framework consistent with applicable Environmental Laws or approved by the Governmental Body in that jurisdiction, (ii) if coverage for such Losses or Response Action is available under the PLL Policy, the Buyer Indemnitees first use commercially reasonable efforts to pursue coverage under the PLL Policy for Losses or Response Costs, Property A Response Costs or Property B Response Costs arising from Bodily Injury or Property Damage (as such terms are defined in the PLL Policy) (and such indemnification shall be limited to Losses or Response Costs, Property A Response Costs or Property B Response Costs not actually recovered by the Buyer Indemnitees under such PLL Policy) and (iii) such Response Action is conducted in a cost-effective manner and required to attain compliance with minimum remedial standards applicable under Environmental Laws based on continued industrial use (or other applicable remedial standard for off-site migration) of the subject property, employing risk based standards and institutional controls where available.

(d) With respect to any real property owned or leased by the Acquired Companies, the Buyer Indemnitees shall not be entitled to indemnification with respect to any releases of or contamination by Hazardous Substances identified through any environmental sampling or analysis, or any report to any Governmental Body, in either case which is not (i) affirmatively required by Environmental Laws or a Governmental Body, (ii) reasonably related to a Known Environmental Condition in concentrations greater than applicable cleanup, remedial or comparable regulatory standards established pursuant to applicable Environmental Law or approved by the applicable Governmental Body for industrial use of such property (or other comparable, applicable regulatory standards for off site migration) or, in the case of Property A or Property B, site specific target limits or comparable standards determined by an independent, nationally-recognized, third-party environmental consultant owing a duty of care to both the Buyer Indemnitees and Seller and using a framework consistent with applicable Environmental Laws or approved by the Governmental Body in that jurisdiction, or (iii) without regard for the availability of any indemnification hereunder and assuming continued industrial use of the subject site, as is necessary and consistent with industry practice in connection with any new construction at a real property owned or leased by the Acquired Companies.

(e) Notwithstanding anything to the contrary herein, the indemnification of the Buyer Indemnitees for Response Costs, Property A Response Costs and Property B Response Costs shall be paid solely by, shall be limited to, and shall not exceed, funds in the Special Escrow Account. The indemnification hereunder of the Buyer Indemnitees for Response Costs and Property B Response Costs shall be limited to 50% of Response Costs and Property B Response Costs incurred by the Buyer Indemnitees after the Closing Date and prior to the third (3rd) anniversary of the Closing Date, and the indemnification of the Buyer Indemnitees for Property A Response Costs shall be for 100% of Property A Response Costs incurred by the Buyer Indemnitees after the Closing Date and prior to the third (3rd) anniversary of the Closing Date.

(f) All Response Costs, Property A Response Costs and Property B Response Costs for which the Buyer Indemnitees are entitled to indemnification in accordance with this Section 9.02 shall be paid by and be limited to the Special Escrow Account. The

indemnification of the Buyer Indemnitees for all Losses (other than Response Costs, Property A Response Costs and Property B Response Costs) shall be paid, subject in all respects to all applicable limitations including under Section 9.02(b), first by the funds in the General Escrow Account and once the funds in the General Escrow Account have been depleted, then by Seller.

9.03 Indemnification by Buyer.

(a) From and after the Closing (but subject to the provisions of this Article 9), Buyer shall indemnify Seller, its members, its and their Affiliates, and its and their officers, directors, employees, Agents and representatives and each of the heirs, executors, successors and assigns of any of the foregoing (the "Seller Indemnitees") against and hold them harmless from any Losses suffered or incurred by the Seller Indemnitees to the extent arising from or relating to (i) a breach of any representation or warranty of Buyer contained in this Agreement, (ii) a breach of any covenant or agreement by Buyer contained in this Agreement requiring performance by Buyer prior to the Closing or by Buyer or the Osmose Entities and their Subsidiaries after the Closing, and (iii) the Osmose Entities or their Subsidiaries following the Closing (except for Losses arising from claims for indemnification under Section 9.02(a)) or actions taken by Buyer or the Osmose Entities or their Subsidiaries at or after the Closing. All payments under this Section 9.03 shall be treated by the parties as an adjustment to the proceeds received by Seller pursuant to Article 1.

(b) Notwithstanding anything to the contrary set forth in this Agreement, even if a Seller Indemnitee would otherwise be entitled to indemnification for a Loss pursuant to this Agreement, (i) the Seller Indemnitees shall not be entitled to indemnification for a Loss pursuant to this Agreement except to the extent the aggregate amount of all Losses eligible for indemnification pursuant to Section 9.03(a)(i) exceeds on a cumulative basis the General Deductible, and then only to the extent such Losses exceed the General Deductible; provided, that the General Deductible shall not apply with respect to Seller Indemnitee claims resulting from, arising out of, or relating to any (A) breach of a Buyer Fundamental Representation or (B) actual fraud in connection with this Agreement or the transactions contemplated hereby, and (ii) the Seller Indemnitees shall not be entitled to any indemnification pursuant to Section 9.03(a) in excess of, in the aggregate, at any time an amount equal the Cap; provided, that the Cap shall not apply with respect to Seller Indemnitee claims resulting from, arising out of, or relating to any (A) breach of a Buyer Fundamental Representation, (B) clause (ii) of Section 9.03(a) or (C) actual fraud in connection with this Agreement or the transactions contemplated hereby. If any representation or warranty of Buyer contained herein or in any Schedule, Exhibit or certificate delivered pursuant to this Agreement is qualified or limited based on materiality, including the terms "material," "Material Adverse Effect," or any similar materiality or similar qualification or limitation, such qualification or limitation shall be disregarded for purposes of determining the amount of Losses in respect of a breach thereof (but not for determining whether a breach has occurred).

9.04 Expiration of Claims and Escrow Release.

(a) The ability of any Person to receive indemnification under Section 9.02 or 9.03, shall terminate on the applicable survival termination date (as set forth in Section 9.01), unless such Person shall have incurred a Loss prior to such survival termination

date and made a claim for indemnification pursuant to Section 9.02 or 9.03, as applicable, prior to such survival termination date. If a Person has made a claim for indemnification pursuant to Section 9.02 or 9.03 prior to such survival termination date, then such claim for such Loss incurred (and only such claim for such Loss incurred), if then unresolved, shall not be extinguished by the passage of the deadlines set forth in Section 9.01.

(b) In accordance with the terms of the Escrow Agreement, to the extent that no unresolved claim for indemnification pursuant to Section 9.02 (other than claims for indemnification related to Response Costs, Property A Response Costs or Property B Response Costs) is outstanding on the twelve (12) month anniversary of the Closing Date, the Escrow Agent shall release and pay to Seller the portion of the General Escrow Amount remaining after the twelve (12) month anniversary of the Closing Date. In the event that any claim for indemnification (other than claims for indemnification related to Response Costs, Property A Response Costs or Property B Response Costs) has been asserted, but has not been fully and finally resolved on the twelve (12 month) anniversary of the Closing Date, the Escrow Agent shall release and pay to Seller the General Escrow Amount remaining on such twelve (12) month anniversary, less an amount equal to the maximum aggregate amount of all such unresolved claims, and thereafter, any portion of the General Escrow Amount not required to pay such claims as soon as practicable following the full and final resolution of such claims.

(c) In accordance with the terms of the Escrow Agreement, to the extent that no unresolved claim for indemnification related to Response Costs, Property A Response Costs or Property B Response Costs is outstanding on the third (3rd) anniversary of the Closing Date, the Escrow Agent shall release and pay to Seller the portion of the Special Escrow Amount remaining after the third (3rd) anniversary of the Closing Date. In the event that any claim for indemnification related to Response Costs, Property A Response Costs or Property B Response Costs has been asserted, but has not been fully and finally resolved on the third (3rd) anniversary of the Closing Date, the Escrow Agent shall release and pay to Seller the Special Escrow Amount remaining on such third (3rd) anniversary, less an amount equal to the maximum aggregate amount of all such unresolved claims, and thereafter, any portion of the Special Escrow Amount not required to pay such claims as soon as practicable following the full and final resolution of such claims.

9.05 Procedures Relating to Indemnification.

(a) In order for a party to be entitled to seek any indemnification provided for under this Agreement (such party, the "Claiming Party"), in respect of a claim or demand made against the Claiming Party by any Person who is not a party to this Agreement or an Affiliate thereof (a "Third-Party Claim"), such Claiming Party must notify the party to this Agreement that is or may be required to provide indemnification hereunder (the "Defending Party") in writing, and in reasonable detail, of the Third-Party Claim as promptly as reasonably possible but in any event within fifteen (15) Business Days after receipt by such Claiming Party of notice of the Third-Party Claim (or within such shorter time as may be necessary to give the Defending Party a reasonable opportunity to respond to and defend such Third-Party Claim); provided that failure to give such notification on a timely basis shall not affect the indemnification provided hereunder except to the extent the Defending Party shall have been

prejudiced as a result of such failure. Thereafter, the Claiming Party shall deliver to the Defending Party, within five (5) Business Days after the Claiming Party's receipt thereof, copies of all notices and documents (including court papers) received by the Claiming Party relating to the Third-Party Claim.

(b) If a Third-Party Claim is made against a Claiming Party, the Defending Party shall be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof (subject to a reservation of rights) with counsel selected by the Defending Party and reasonably satisfactory to the Claiming Party by giving notice to the Claiming Party of its election to assume the defense of the Third-Party Claim no later than twenty (20) Business Days after the Claiming Party gives notice of the assertion of a Third-Party Claim under Section 9.05(a). Should a Defending Party so elect to assume the defense of a Third-Party Claim, (A) the Defending Party shall diligently conduct the defense and, so long as it diligently conducts the defense, shall not be liable to the Claiming Party for legal expenses subsequently incurred by the Claiming Party in connection with the defense thereof, (B) no compromise or settlement of such Third-Party Claim may be effected by the Defending Party without the Claiming Party's consent (not to be unreasonably withheld, conditioned or delayed) unless (x) there is no finding or admission of any violation by the Claiming Party of any Law or any rights of any Person, and (y) the Claiming Party receives a full release of and from the Third-Party Claim, and (C) the Claiming Party shall have no liability with respect to any compromise or settlement of such claims effected without its consent (not to be unreasonably withheld, conditioned or delayed). If the Defending Party assumes such defense in accordance with this Section 9.05(b), the Claiming Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Defending Party, it being understood, however, that the Defending Party shall control such defense. The Defending Party shall be liable for the fees and expenses of counsel employed by the Claiming Party for any period during which the Defending Party has not assumed the defense thereof.

(c) If the Defending Party does not assume the defense of a Third-Party Claim in accordance with Section 9.05(b), or if the Defending Party does not diligently conduct the defense of the Third-Party Claim, the Claiming Party may conduct the defense of the Third-Party Claim at the expense of the Defending Party (not to be unreasonably withheld, conditioned or delayed). The Claiming Party shall not effect any settlement or compromise any such Third-Party Claim without the prior written consent of the Defending Party.

(d) Any claim under this Article 9 for any matter involving a Third-Party Claim shall, upon being finally determined pursuant to the terms of this Article 9. be paid first from the General Escrow Account, in accordance with the terms of the Escrow Agreement following resolution thereof in accordance with the terms hereof, and then to the extent such claim exceeds the amount of funds available in the General Escrow Account (and subject to all applicable limitations under this Article 9), paid promptly by Seller.

(e) With respect to any Third-Party Claim subject to this Article 9, all parties hereto shall (i) cooperate (at their respective expense) in good faith with each other to ensure the proper and adequate defense or prosecution of such Third-Party Claim and (ii) keep the other party informed of the stages thereof where such Person is not represented by its own counsel.

(f) A claim under this Article 9 for any matter not involving a Third-Party Claim may be made by notice to the Defending Party, and shall, upon being finally determined pursuant to the terms of this Article 9, first be paid from the General Escrow Account, in accordance with the terms of the Escrow Agreement, promptly after such notice, and then to the extent such claim exceeds the amount of funds available in the General Escrow Account (and subject to all applicable limitations under this Article 9), paid promptly by Seller, unless in each case the Defending Party shall object to such claim in writing within forty five (45) days following such notice.

9.06 Mitigation. Each Person entitled to indemnification hereunder shall take commercially reasonable steps to mitigate all Losses after becoming aware of any event which would reasonably be expected to give rise to any Losses that are indemnifiable or recoverable hereunder or in connection herewith. In the event that a Defending Party makes any payment to a Claiming Party for indemnification for which the Claiming Party could have collected on a claim against a third party (including under any contract and any insurance claims), the Defending Party shall be entitled to pursue claims and conduct litigation on behalf of the Claiming Party and any of its successors to pursue and collect on any indemnification or other remedy available to the Claiming Party thereunder with respect to such claim and generally to be subrogated to the rights of the Claiming Party. Except pursuant to a settlement agreed to by the Defending Party, the Claiming Party shall not waive or release any contractual right to recover from a third party any loss subject to indemnification hereby without the prior written consent of the Defending Party. The Claiming Party shall, and shall cause its Affiliates (including the Osmose Entities and their Subsidiaries, if applicable) to, cooperate with the Defending Party, at the Defending Party's expense, with respect to any such effort to pursue and collect with respect thereto.

9.07 Determination of Loss Amount.

(a) Losses for breaches of representations and warranties contained in this Agreement shall be net of any insurance proceeds or third-party payments (after deduction for any actual increased insurance costs (including future premium increases directly related thereto) as a result of such payment or proceeds and any reasonable out-of-pocket fees, costs or expenses incurred by such Claiming Party in connection with obtaining such proceeds) actually realized by and paid to the Claiming Party. The Claiming Party shall seek full recovery under all insurance policies and third-party payments covering any Loss to the same extent as it would if such Loss were not subject to indemnification hereunder. In the event that an insurance or other recovery is made by any Claiming Party with respect to any Loss for which any such Claiming Party has been indemnified hereunder, then the Claiming Party shall refund promptly to the Defending Party the aggregate amount of the recovery (after deduction of the amounts listed above, if any).

(b) In no event shall the Buyer Indemnitees or Seller Indemnitees be entitled to recover or make a claim for any amounts in respect of indirect damages, including consequential, lost profits, punitive, or speculative damages (other than any such damages

actually awarded in connection with any Third-Party Claim). In addition, in no event shall a Defending Party be liable hereunder in respect of any claim if such claim would not have arisen but for a change in legislation or accounting policies or a change in interpretation of applicable Law as determined by a court or pursuant to an administration rule-making decision.

(c) No Buyer Indemnitee shall be entitled to any indemnification for any losses under this Article 9 to the extent (i) such amount of Losses was taken into account in determining the Closing Consideration or the Net Working Capital pursuant to Section 1.02 or (ii) such matter is a Knowledge Event with respect to which Buyer is not entitled to indemnification pursuant to Section 5.08.

9.08 Tax Benefits. To the extent that a Claiming Party recognizes Tax Benefits as a result of any Loss, such party shall pay the amount of such Tax Benefits (but not in excess of the indemnification payment or payments actually received from the Defending Party with respect to such Loss) to the Defending Party as such Tax Benefits are actually received by the Claiming Party. For purposes of the foregoing, "Tax Benefit" is defined as the net reduction in Taxes actually realized that is attributable to any deduction, loss, credit, or other Tax item resulting from the incurrence and payment of such Losses (treating such Tax item as the last item used in calculating the net reduction in Taxes), taking into account for such purposes the Tax consequences associated with the receipt of the related indemnity payment, if any

9.09 Exclusive Remedy. The parties acknowledge and agree that, except (a) with respect to the enforcement of any rights or obligations under Section 1.05, (b) with respect to actual fraud in connection with the transactions contemplated hereby and (c) as set forth in Section 12.15 (the matters described in clauses (a), (b) and (c), collectively, the "Excluded Matters"), (i) following the Closing, the indemnification provisions set forth in this Article 9 and in Section 10.01(j) shall be the sole and exclusive remedies of Buyer and Seller with respect to the subject matter of this Agreement or the transactions contemplated hereby or for any breach by the other party of the representations and warranties in this Agreement or for any failure by the other party to perform and comply with any covenants and agreements in this Agreement or for any other matter relating to the Osmose Entities or their Subsidiaries (including with respect to any common law or statutory rights or remedies for environmental, health or safety matters, including under the Comprehensive Environmental Response, Compensation, and Liability Act or any other Environmental Laws), and (ii) no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of Buyer or Seller, following the Closing, to rescind this Agreement or any of the transactions contemplated hereby.

9.10 Acknowledgment by Buyer. Buyer acknowledges that it has conducted, to its satisfaction, an independent investigation and verification of the financial condition, results of operations, Assets, Liabilities, properties and projected operations of the Acquired Companies and, in making its determination to proceed with the transactions contemplated by this Agreement, Buyer has relied on the results of its own independent investigation and verification, in addition to the representations and warranties of Seller expressly and specifically set forth in this Agreement. SUCH REPRESENTATIONS AND WARRANTIES BY SELLER CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF SELLER TO BUYER IN CONNECTION WITH THE TRANSACTIONS

CONTEMPLATED HEREBY, AND BUYER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESS OR IMPLIED (INCLUDING ANY RELATING TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OF THE OSMOSE ENTITIES OR TO ANY ENVIRONMENTAL, HEALTH OR SAFETY MATTERS) ARE SPECIFICALLY DISCLAIMED BY SELLER AND ARE NOT BEING RELIED UPON BY BUYER OR ANY OF ITS REPRESENTATIVES OR AFFILIATES.

9.11 Release. Effective as of the Closing, Seller, on behalf of itself, its controlled Affiliates, and each of their respective Subsidiaries, predecessors, successors, and assigns (collectively, the "Seller Releasing Parties"), does hereby remise, release, and forever discharge the Acquired Companies and each of their respective Subsidiaries, predecessors, successors, and assigns, and each of their respective officers, directors, representatives, Agents, employees, attorneys and assigns (collectively, the "Buyer Released Parties"), from any and all Liabilities, claims, demands, damages, debts, obligations, causes of action, suits, expenses, disputes, Actions and costs of whatever nature, character or description, whether known or unknown, asserted or unasserted, anticipated or unanticipated, suspected or unsuspected, accrued or unaccrued, that the Seller Releasing Parties, or any one of them, ever had, now have, or may hereafter have, at any time, against any of the Buyer Released Parties, based on facts, circumstances, events, Orders, acts, or omissions occurring from the beginning of the world to the date of this release; provided, that notwithstanding anything to the contrary herein, nothing in this Section 9.11 shall operate as a release of any liabilities, obligations, covenants or agreements in respect of this Agreement, any other Transaction Document, or any other document, certificate or agreement delivered under any of them. The Seller Releasing Parties hereby waive and relinquish any rights or benefits that they may have under any statutory or common law rule that, in substance, provides that a general release does not extend to claims that a releasing party does not know or suspect to exist in its, his or her favor at the time of executing the release, which if known by it, him or her, must have materially affected his or her settlement with the debtor. In connection with such waiver and relinquishment, the Seller Releasing Parties acknowledge that they are aware that they may hereafter discover claims or facts or legal theories in addition to or different from those that they now know or believe to exist, but that it is their intention hereby to fully, finally and forever settle and release any and all such claims.

9.12 Further Assurances. From time to time, as and when requested by any party hereto and at such requesting party's expense, any other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

ARTICLE 10

TAX MATTERS

10.01 Tax Matters. The provisions of this Section 10.01 shall govern the allocation of responsibility as between Buyer and the Acquired Companies on the one hand, and Seller on the other hand, for certain Tax matters following the Closing:

(a) Responsibility for Filing Tax Returns. Seller, at its sole cost and expense, shall prepare and timely file, or cause to be prepared and timely filed, all Seller Group Tax Returns for the Acquired Companies for all taxable periods. To the extent that any Acquired Company is permitted under applicable Law to treat the Closing Date as the last day of a taxable period in which the Closing occurs, Seller and Buyer shall treat (and shall cause their respective Affiliates to treat) the Closing Date as the last day of such taxable period with respect to such Acquired Company. For avoidance of doubt, Buyer shall have no right to review any Seller Group Tax Return. Buyer shall prepare or cause to be prepared and file or cause to be filed all non-Seller Group Tax Returns for the Acquired Companies for all Pre-Closing Tax Periods which have not yet been filed as of the Closing Date ("non-Seller Group Tax Returns"). All such non-Seller Group Tax Returns shall be prepared and filed in a manner consistent with the past practice of the Acquired Companies, except as otherwise required by applicable Law; provided that, (i) for the avoidance of doubt and to the extent permitted by applicable law, all deductions related to or arising out the transactions contemplated by this Agreement shall be treated as arising on or before the Closing Date, and (ii) no Acquired Company shall waive any carryback of any net operating loss, capital loss or credit on any such Tax Return. At least 30 days prior to the date on which each such non-Seller Group Tax Return is due, Buyer shall submit such Tax Return (and all relevant work papers and other items required to understand such Tax Return or other items as reasonably requested by Seller) to Seller for Seller's review, comment and approval, which shall not be unreasonably withheld, conditioned, or delayed. Buyer shall make the revisions requested by Seller to such Tax Returns. Seller and Buyer shall work together in good faith to resolve any differences with respect to any Tax Returns described in this Section 10.01(a), provided that, to the extent there remains any disagreement between Seller and Buyer with respect to such Tax Returns, the procedures and rules set forth in the dispute resolution mechanism described in Section 1.05(d) shall govern. If any dispute with respect to a Tax Return is not resolved prior to the due date of such Tax Return, such Tax Return shall be filed in the manner prepared by Buyer without prejudice to the resolution of such dispute; provided that, once the resolution of such dispute has been determined, such Tax Returns shall be, if necessary, re-filed or amended to include the final determination of such dispute. Solely to the extent the Seller is responsible for such amounts pursuant to Section 10.01(j), Seller shall timely pay or cause to be timely paid all Taxes reflected as due on all Tax Returns described in this Section 10.01 attributable to any Pre-Closing Tax Period, no later than five (5) days after the due date for such Tax Returns. Buyer shall timely pay or cause to be timely paid all Taxes reflected as due on all non-Seller Group Tax Returns attributable to any Post-Closing Tax Period.

(b) Transfer Taxes. Any real property transfer or gains tax, stamp tax, stock transfer tax, or other similar Tax imposed as a result of the transactions contemplated by this Agreement (collectively, "Transfer Taxes"), and any penalties or interest with respect to

Transfer Taxes shall be paid when due (i) by Seller, to the extent imposed as a result of the Restructuring, and (ii) otherwise (including with respect to Transfer Taxes imposed as a result of the Section 338(h)(10) Election) by Buyer. Buyer will file all necessary Tax Returns and other documentation with respect to all Transfer Taxes. Buyer and Seller shall, and shall cause their Affiliates to, cooperate in the filing of such Tax Returns and other documentation, including promptly supplying any information in its possession that is reasonably necessary to complete such Tax Returns and other documentation, and join in the execution of any such Tax Returns and other documentation.

(c) Intermediary Transaction Tax Shelter. Buyer shall not take any action with respect to the Acquired Companies that would cause the transactions contemplated by this Agreement to constitute part of a transaction that is the same as, or substantially similar to, the "Intermediary Transaction Tax Shelter" described in Internal Revenue Service Notices 2001-16 and 2008-111.

(d) FIRPTA Certificate. Seller shall deliver to Buyer a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code stating that such Seller is not a "foreign person" as defined in Section 1445 of the Code (the "FIRPTA Certificate").

(e) Section 338(h)(10) Election. Seller and Buyer shall make an election under Section 338(h)(10) (and any corresponding election under state and local tax Law) of the Code with respect to the purchase and sale of the Shares (the "Section 338(h)(10) Election"). At the Closing, Buyer and Seller shall sign and date IRS Form 8023 or a signature schedule attached thereto, shall provide their taxpayer identification numbers, shall sign any analogous state or local forms required in connection with a Section 338(h)(10) Election, and shall provide any other information required by Form 8023 and any analogous state or local form. Seller shall retain the executed IRS Form 8023 and analogous state and local forms. Seller shall timely file the IRS Form 8023 and any state or local forms. Neither Buyer nor Seller shall take any action, or fail to take any action, that would cause the Section 338(h)(10) Election to fail to be effective for Tax purposes or take any other Tax position contrary thereto or inconsistent therewith. Within 60 days following the determination of the Post-Closing Purchase Price Adjustment pursuant to Section 1.05, Buyer shall provide Seller with a proposed allocation of the purchase price (and all other items required under the Code) among the Assets of the Acquired Companies in accordance with Section 1060 of the Code and the Treasury regulations thereunder (and any similar provision of state, local, or non-U.S. Law, as appropriate). Seller shall have 30 days to review and comment on such allocation, and identify potential adjustments thereto. If Seller fails to identify potential adjustments within such 30 day period, Seller shall be deemed to have accepted the proposed allocation of the purchase price as calculated by Buyer. Seller and Buyer shall work together in good faith to resolve differences with respect to the allocation. To the extent there remains any disagreement between Seller and Buyer within 15 days after the delivery by Seller of proposed adjustments to Buyer's proposed allocation, (i) each party shall be permitted to file all Tax Returns based on an allocation of purchase price (and all other items required under the Code) that such party determines in its own discretion or (ii) Buyer and Seller may engage promptly a nationally recognized firm of independent accountants

(the "Independent Accounting Firm") to resolve the dispute and the Independent Accounting Firm shall make within thirty (30) days a final determination binding upon the parties of the appropriate allocation of Purchase Price. Buyer and Seller shall cooperate with each other to enable the Independent Accounting Firm to render a proper decision. The fees and expenses of the Independent Accounting Firm shall be borne under the same methodology as the fees of the Independent Referee are allocated under Section 1.05. Seller, Buyer and their Affiliates shall report, act and file Tax Returns in all respects and for all purposes consistent with the allocation determined under this Section 10.01(e). Buyer shall timely and properly prepare, execute, file and deliver all such documents, forms and other information as Seller may reasonably request to prepare such allocation. Neither Seller, Buyer, nor any of their respective Affiliates shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with such allocation unless required to do so by applicable Law.

(f) Buyer Covenants. Without Seller's prior written consent, Buyer covenants that it shall not, and shall not cause or permit, the Osmose Entities, their Subsidiaries, and any Affiliate of Buyer (a) to make any election pursuant to Treasury Regulation Section 301.7701-3 that is effective on or before the Closing Date, (b) file an amended Tax Return relating to a Pre-Closing Tax Period or any Straddle Period, (c) extend or waive, or cause to be extended or waived, or permit the Osmose entities to extend or waive, any statute of limitations or other period for the assessment of any Tax or deficiency related to a Pre-Closing Tax Period, (d) make or change any Tax election or accounting method that has retroactive effect to any Pre-Closing Tax Period, or (e) enter into any voluntary disclosure agreements with any Governmental Body with respect to any Tax for a Pre-Closing Tax Period. Notwithstanding the prior sentence, Buyer may, and may cause or permit, the Osmose Entities, their Subsidiaries, and any Affiliate of Buyer to file an amended Tax Return (other than any Seller Group Tax Return) relating to a Pre-Closing Tax Period or any Straddle Period without Seller's prior written consent provided that, if Seller's prior written consent is not obtained, Buyer shall indemnify Seller for any incremental Tax or Loss for which Seller has responsibility pursuant to Section 9.02 or Section 10.01(j) that is incurred solely by reason of the filing of such amended Tax Return.

(g) Tax Refunds. Any Tax refunds that are received by Buyer or the Acquired Companies, and any amounts credited against Taxes to which Buyer or the Acquired Companies become entitled in a Tax period ending after the Closing Date, that relate to Pre-Closing Tax Periods or portions thereof shall be for the account of Seller. Buyer shall pay over to Seller any such refund or the amount of any such credit within five (5) days after actual receipt of such refund or application of such credit against Taxes, to the extent not taken into account for purposes of the Post-Closing Purchase Price Adjustment. To the extent that any expense incurred in a Pre-Closing Tax Period creates a net operating loss in a Pre-Closing Tax Period that can, pursuant to applicable Tax law, be carried back to an earlier taxable period to generate a refund through the amendment of a non-Seller Group Tax Return for a Pre-Closing Tax Period, Buyer shall cause the Osmose Entities and/or their Subsidiaries to amend such Tax Return for such Pre-Closing Tax Period as soon as reasonably practicable after becoming aware of such refund.

(h) Tax Contests. Notwithstanding anything to the contrary in this Article 10, if, in connection with any examination, investigation, audit or other administrative or

judicial proceeding in respect of any non-Seller Group Tax Return with respect to the income or operations of the Acquired Companies for a Pre-Closing Tax Period, any Governmental Body issues to the Acquired Companies a notice of an examination, investigation, audit or other administrative or judicial proceeding, a request for documents or other information, written notice of deficiency, a notice of reassessment, a proposed adjustment, or an assertion of claim or demand concerning the taxable period covered by such Tax Return, Buyer shall notify Seller of its receipt of such communication from such Governmental Body within 20 Business Days after receiving such communication. Seller shall have the right to represent its interests and to employ counsel of its choice at its expense. Buyer shall have the right to participate in any such Tax proceeding at its own expense. Buyer shall not, and shall not permit the Acquired Companies to, settle or otherwise resolve any issue with respect to any Taxes of the Acquired Companies to the extent that such settlement or other resolution could result in Seller being liable for any amounts pursuant to this Agreement without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned, or delayed. Seller shall have the right to control any examination, investigation, audit or other administrative or judicial proceeding in respect of any non-Seller Group Tax Return of the Acquired Companies for any Pre-Closing Tax Period to the extent that such examination, investigation, audit or other administrative or judicial proceeding could result in or lead to Seller being liable for any amounts pursuant to this Agreement; provided that Buyer, at its sole cost and expense, shall have the right to participate in any such contest. Seller is not entitled to settle, either administratively or after the commencement of litigation, that portion of a Tax proceeding for which Buyer may incur an indemnification obligation or that would result in increased Liability for Buyer for Taxes attributable to a Post-Closing Tax Period without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned, or delayed. For avoidance of doubt, Seller shall have the sole right to control and settle any examination, investigation, audit or other administrative or judicial proceeding in respect of any Seller Group Tax Return and Buyer shall have no right to participate therein.

(i) Tax Cooperation. Buyer, the Acquired Companies, and Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section 10.01 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 that 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. The Acquired Companies and Seller agree (i) to retain all books and records with respect to Tax matters pertinent to the Acquired Companies relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority and (ii) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, the Osmose Entities and their Subsidiaries or Seller, as the case may be, shall allow the other Party to take possession of such books and records. For the avoidance of doubt, Buyer shall have no right to inspect or review any Seller Group Tax Return.

(j) Tax Indemnity. From and after the Closing, Buyer Indemnitees shall be indemnified by Seller from and against any Taxes and Losses attributable to (i) all Taxes (or the non-payment thereof) of the Acquired Companies for all Pre-Closing Tax Periods; (ii) all Taxes for Pre-Closing Tax Periods of any member of an affiliated, consolidated, combined or unitary group of which any of the Acquired Companies is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any similar provision of state, local or foreign law; and (iii) any Taxes and Losses attributable to or arising from a beach by Seller of a covenant in this Article 10; provided, however, that Buyer shall not be indemnified to the extent such Taxes (i) result from any transaction occurring on the Closing Date after the Closing outside the ordinary course of business other than income Taxes resulting from elections under Section 338(h)(10), (ii) to the extent such amounts were taken into account in determining the Purchase Price, as finally determined under Section 1.05, or (iii) are attributable to or arising from any breach by Buyer of this Section 10.01. In the case of any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income, receipts, or payroll of the Acquired Companies for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date and the amount of other Taxes of the Acquired Companies for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period. Any indemnification obligations of Seller pursuant to this Section 10.01 shall be subject to the limitations set forth in Section 9.02 (other than the General Deductible, the Special Deductible and the Cap). There shall be no duplication between the obligation to indemnify in Section 9.02 and the obligation to indemnify in this Section 10.01.

(k) Section 338(g) Election. The Buyer may make an election under Section 338(g) of the Code (or any comparable applicable provision of state and local Tax law) (a "Section 338(g) Election") with respect to the acquisition of the stock of each of the Acquired Companies organized outside the United States that is treated as a corporation for U.S. federal income tax purposes; provided that, Buyer shall only be permitted to make a Section 338(g) Election under this Section 10.01(k) to the extent the Buyer provides a copy to the Seller, within one hundred twenty (120) days after the Closing Date, of the proper executed Internal Revenue Service form for each Section 338(g) Elections the Buyer intends to file.

ARTICLE 11

DEFINITIONS

11.01 Definitions. For purposes hereof, the following terms, when used herein with initial capital letters, shall have the respective meanings set forth below:

"2013 Audited Financial Statements" means the portion of the Audited Financial Statements for the calendar year ended December 31, 2013

"2013 Unaudited Financial Statements" has the meaning set forth in Section 4.06(a).

"Acquired Companies" means each of the Osmose Entities and each of their respective Subsidiaries.

"Action" means a claim, action, complaint, litigation, suit, proceeding, investigation, audit, review, examination, hearing, grievance, petition, or arbitration before or by a Governmental Body or arbitrator.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, "controlling," "controlled" and "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise.

"Agent" means (a) any Person appointed by a power of attorney or similar instrument granted by an Acquired Company empowering that Person to represent an Acquired Company in matters and dealings by or involving an Acquired Company; and, alternatively (b) any agent, sales representative, sponsor, or other Person appointed or retained to assist any Acquired Company in obtaining or promoting business.

"Agreement" has the meaning set forth in the preamble.

"Alternate Financing" has the meaning set forth in Section 6.11(e).

"Anti-Corruption Law" has the meaning set forth in Section 4.23(a).

"Assets" means the assets and properties of the Acquired Companies (including the Properties) to the extent included in the Transferred Business.

"Assumed Non-Compete Obligations" means the amount set forth in item 7 of Schedule A in respect of those certain agreements set forth in item 7 of Schedule A.

"Audited Financial Statements" has the meaning set forth in Section 6.08(a).

"Balance Sheet Date" has the meaning set forth in Section 4.06(a).

"Business Day" means any day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are not required to be open.

"Business Systems" has the meaning set forth in Section 4.11(d).

"Buyer" has the meaning set forth in the preamble.

"Buyer Benefit Plans" has the meaning set forth in Section 7.03.

"Buyer Fundamental Representations" means, collectively, the representations and warranties contained in Sections 5.01 (Organization and Power), 5.02 (Authorization; Valid and Binding Agreement), and 5.05 (Brokerage).

"Buyer Indemnitees" has the meaning set forth in Section 9.02(a).

"Buyer Released Parties" has the meaning set forth in Section 9.11.

"Buyer's Representatives" has the meaning set forth in Section 6.02(a).

"Buyer's Management Group" means Walter Turner, Leroy Ball, Steven Lacy, James Sullivan, Thomas Loadman, James Dietz, Daniel Groves, Leslie Hyde and Michael Juba.

"Cap" has the meaning set forth in Section 9.02(b).

"Cash" means, with respect to the Acquired Companies, all cash, all cash equivalents, all restricted cash, marketable securities and deposits with third parties (including landlords), in each case determined in accordance with GAAP. For the avoidance of doubt, Cash shall be calculated net of issued but uncleared checks and drafts and shall include checks, other wire transfers and drafts deposited or available for deposit for the account of the Acquired Companies.

"Certain Policies" has the meaning set forth in Section 7.07(b).

"Claiming Party" has the meaning set forth in Section 9.05(a).

"Closing" has the meaning set forth in Section 1.03.

"Closing Cash" has the meaning set forth in Section 1.05(a).

"Closing Consideration" has the meaning set forth in Section 1.02(a).

"Closing Date" has the meaning set forth in Section 1.03.

"Closing Indebtedness" has the meaning set forth in Section 1.05(a).

"Closing Net Breakage Benefits" has the meaning set forth in Section 1.05(a).

"Closing Net Breakage Costs" has the meaning set forth in Section 1.05(a).

"Closing Net Working Capital" has the meaning set forth in Section 1.05(a).

"Closing Osmose Unpaid Transaction Expenses" has the meaning set forth in Section 1.05(a).

"Closing Statement" has the meaning set forth in Section 1.05(a).

"Code" has the meaning set forth in Section 4.13(a).

"Collar Amount" has the meaning set forth in Section 1.05(e)(i).

"commercially reasonable efforts" means the efforts that a commercially reasonable Person desirous of achieving a result would use in similar circumstances to achieve

that result as expeditiously as reasonably practicable; provided, however, that a Person required to use commercially reasonable efforts under this Agreement will not be thereby required to take any action that would results in a material change in the benefits to such Person of this Agreement or the transactions contemplated hereby, to make any material change to its business, to incur any material fees or expenses (other than normal and usual filing fees, processing fees and incidental expense), to commence any litigation or to incur any other material burden.

"Compliant" means, with respect to the Required Information, that (a) such Required Information does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such Required Information not misleading; provided that (i) Required Information shall not fail to be Compliant as a result of a new development with respect to the Osmose Entities occurring after the commencement of the Marketing Period so long as Seller shall promptly update such information to make it otherwise Compliant and provide it to Buyer and (ii) Required Information that is forward-looking information shall not fail to be Compliant as long as it is prepared and provided in good faith based upon assumptions that Seller believes to be reasonable at the time such information is made available by Seller to Buyer; it being understood that (A) such information is as to future events and are not to be viewed as facts or a guarantee of performance and are subject to significant uncertainties and contingencies many of which are beyond your control and (ii) no assurance can be given that any particular financial projections will be realized, and that actual results during the period or periods covered by any such information may differ significantly from the projected results, and such differences may be material, and (b) such Required Information is, and remains throughout the Marketing Period, compliant in all material respects with all applicable requirements of Regulations S-K and S-X under the Securities Act (other than those requirements excluded from the definition of Required Information) for offerings of debt securities that customarily would be included in offering documents used in private placements of debt securities under Rule 144A of the Securities Act, to consummate the offerings or placements of such debt securities.

"Confidentiality Agreement" has the meaning set forth in Section 6.02(a).

"Consents" means any registration, filing, declaration, application, right of first refusal or notice to or with any Person, and any consent, approval, Permit, qualification, waiver, waiting period or authorization required of or by any Person, in each case to the extent required (i) under a Contract as a result of the consummation of the contemplated transactions or (ii) by a Governmental Body.

"Consent Payment Amount" means any amount paid or incurred by a party to obtain a Consent.

"Contract" means any agreement, contract, lease (relating to real or personal property), license, indenture, mortgage, instrument, commitment, purchase or sale orders, consensual obligation, promise or obligation or other arrangement or understanding, in each case that is written or oral and binding, to which Seller, the Osmose Entities or any Subsidiary is a party or by which it or its assets are bound.

"Data Room" has the meaning set forth in Section 4.28.

"D&O Indemnified Person" has the meaning set forth in Section 7.02(a).

"Debt Commitment Letter" has the meaning set forth in Section 5.07.

"Defending Party" has the meaning set forth in Section 9.05(a).

"Deloitte" means Deloitte Touche LLP, the Osmose Entities' independent accountants.

"Disputed Items" has the meaning set forth in Section 1.05(d).

"Environmental Claim" means any Action, Order, written demand or written notice by any Person alleging actual or potential Liability (including, actual or potential Liability for investigatory costs, cleanup costs, governmental response costs, natural resources damage, property damage, personal injuries, attorneys' fees or penalties) arising out of, based on, resulting from or relating to (a) the release into the environment of, or exposure of Persons to, any Hazardous Substance, or (b) any violation, or alleged violation, or actual or threatened Liability arising under or as the result of the application of Environmental Law.

"Environmental Law" means any federal, state, territorial or local law, including the laws of the European Union and common law, in force and effect on the Closing Date, relating to (a) the protection of human health or safety (regarding exposure to Hazardous Substances) or the environment, (b) the generation, handling, treatment, storage, containment, distribution, use, manufacture, processing, emission, discharge, release or threatened release, disposal or transportation of Hazardous Substances or hazardous waste materials, (c) the regulation of or exposure to Hazardous Substances, (d) the cleanup, restoration, or remediation of, or other response to Hazardous Substances on, at, or migrating under or from any property, (e) responsibility for, response to, preservation, or management of restoration of natural resources or endangered or threatened species of any kind, (vi) emissions or control of greenhouse gases, or (f) recordkeeping, notification, disclosure and reporting requirements for or relating to Hazardous Substances. The term "Environmental Law" includes all judicial and administrative decisions, Orders, directives, decrees and codes of practice and guidance notes in each case which are legally binding issued by a Governmental Body pursuant to the foregoing as well as the common law of negligence, nuisance, trespass, strict liability or comparable causes of action or theories of recovery relating to or governing the occupation or use of real property.

"Environmental Liability" means any and all environmental response costs (including costs of investigation or remediation), damages, natural resource damages, settlements, reasonable consulting fees, expenses, penalties, fines, orphan share, prejudgment and post-judgment interest, court costs, reasonable attorneys' fees, and other Liabilities incurred or imposed (a) pursuant to any Order, notice of responsibility, directive (including requirements embodied in Environmental Law), injunction, judgment or similar act (including settlements) by any Governmental Body to the extent arising out of any violation of, or remedial obligation imposed under, any Environmental Laws or (b) pursuant to any claim or cause of action by a Governmental Body or other Person for personal injury, property damage, damage to natural resources, investigation, remediation or response cost to the extent arising out of any violation or, or any remedial obligation imposed under, any Environmental Law.

"ERISA" has the meaning set forth in Section 4.13(a).

"Escrow Agent" means Wells Fargo Bank, National Association.

"Escrow Agreement" means the Escrow Agreement to be entered into by and among Buyer, Seller and the Escrow Agent, in the form attached hereto as Exhibit A.

"Estimated Cash" has the meaning set forth in Section 1.02(b)(ii).

"Estimated Indebtedness" has the meaning set forth in Section 1.02(b)(iii).

"Estimated Net Breakage Benefits" has the meaning set forth in Section 1.02(b)(iv).

"Estimated Net Breakage Costs" has the meaning set forth in Section 1.02(b)(iv).

"Estimated Net Working Capital" has the meaning set forth in Section 1.02(b)(i).

"Estimated Osmose Unpaid Transaction Expenses" has the meaning set forth in Section 1.02(b)(v).

"Excluded Business" has the meaning set forth in the preamble.

"Excluded Copper Hedging Contract" has the meaning set forth in Section 6.13(a) and Section 6.13(b).

"Excluded Liability" means any Liability relating to or arising out of (a) the out-of-pocket costs and expenses of effecting the Restructuring, including all Taxes (without limitation, all transfer Taxes related to the transfers of the Real Property identified on Schedule A), (b) any business, ownership, or operation of Seller or the Acquired Companies other than the Transferred Business, (c) any Liability associated with any real property that is set forth on Schedule 11.2 or that has been owned or leased by any of the Acquired Companies (or any of their former Subsidiaries) that is not listed on Schedules 4.08(b), 4.08(c), or 4.24 of the Disclosure Schedules, or (d) any Excluded Copper Hedging Contract.

"Excluded Matters" has the meaning set forth in Section 9.09.

"Fee Letters" has the meaning set forth in Section 5.07.

"Final Cash" means the Cash as of the close of business on the last Business Day immediately preceding the Closing Date, either (a) finally determined in accordance with Section 1.05(d) or (b) deemed final as a result of (i) Buyer's failure to timely deliver the Closing Statement or (ii) Seller's acceptance of the Closing Statement delivered by Buyer, in each case as described in Section 1.05(c).

"Final Indebtedness" means the Indebtedness as of immediately prior to the Closing, either (a) finally determined in accordance with Section 1.05(d) or (b) deemed final as a result of (i) Buyer's failure to timely deliver the Closing Statement or (ii) Seller's acceptance of the Closing Statement delivered by Buyer, in each case as described in Section 1.05(c).

"Final Net Breakage Benefits" means the Net Breakage Benefits as of immediately prior to the Closing, either (a) finally determined in accordance with Section 1.05(d) or (b) deemed final as a result of (i) Buyer's failure to timely deliver the Closing Statement or (ii) Seller's acceptance of the Closing Statement delivered by Buyer, in each case as described in Section 1.05(c).

"Final Net Breakage Costs" means the Net Breakage Costs as of immediately prior to the Closing, either (a) finally determined in accordance with Section 1.05(d) or (b) deemed final as a result of (i) Buyer's failure to timely deliver the Closing Statement or (ii) Seller's acceptance of the Closing Statement delivered by Buyer, in each case as described in Section 1.05(c).

"Final Net Working Capital" means the Net Working Capital as of the close of business on the last Business Day immediately preceding the Closing Date, either (a) finally determined in accordance with Section 1.05(d) or (b) deemed final as a result of (i) Buyer's failure to timely deliver the Closing Statement or (ii) Seller's acceptance of the Closing Statement delivered by Buyer, in each case as described in Section 1.05(c).

"Final Osmose Unpaid Transaction Expenses" means the Osmose Unpaid Transaction Expenses as of immediately prior to the Closing, either (a) finally determined in accordance with Section 1.05(d) or (b) deemed final as a result of (i) Buyer's failure to timely deliver the Closing Statement or (ii) Seller's acceptance of the Closing Statement delivered by Buyer, in each case as described in Section 1.05(c).

"Financial Statements" means, collectively, the Unaudited Financial Statements, the Interim Financial Statements, and the Audited Financial Statements.

"Financing" has the meaning set forth in Section 5.07.

"Financing Failure" has the meaning set forth in Section 12.16.

"Financing Failure Payment" has the meaning set forth in Section 12.16.

"Financing Sources" means the agents, arrangers (including the joint lead arrangers) and lenders party to the Debt Commitment Letter.

"FIRPTA Certificate" has the meaning set forth in Section 10.01(d).

"Foreign Plan" has the meaning set forth in Section 4.13(f).

"GAAP" means United States generally accepted accounting principles as in effect on the date hereof, applied in a manner consistent with those used in preparing the 2013 Unaudited Financial Statements.

"General Deductible" has the meaning set forth in Section 9.02(b).

"General Escrow Account" has the meaning set forth in Section 1.04(a)(i).

"General Escrow Amount" has the meaning set forth in Section 1.04(a)(i).

"Governmental Authorization" means any Permit, license, certificate, franchise, permission, clearance, registration, safety approval, qualification or other authorization issued, granted or given by any Governmental Body or pursuant to any Law.

"Governmental Body" means any federal, state, local, municipal, foreign, international, regional, departmental, or other government or quasi-governmental authority, including the European Union, or any ministry, department, agency, commission, board, subdivision, bureau, agency, instrumentality, committee, court or other tribunal of any of the foregoing, including the European Chemicals Agency and any antitrust or competition authority of any jurisdiction, any government-owned or government-controlled company or enterprise, any political party, and any public international organization (including, for example, the United Nations, the World Bank, the International Monetary Fund, etc.).

"Hazardous Substance" means (a) any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., or any comparable federal, state, territorial or local Law, or any rule or regulation promulgated thereunder, (b) any "hazardous waste" or "solid waste," in either case as defined in the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., or any comparable federal, state, territorial or local Law, or any rule or regulation promulgated thereunder, (c) any solid, liquid, hazardous, dangerous or toxic chemical, pollutant, contaminant, material, waste or substance regulated by Environmental Laws due to its dangerous or deleterious characteristics, (d) any radioactive material, including any naturally occurring radioactive material, and any source, special or byproduct material as defined in the Atomic Energy Act, 42 U.S.C. § 2011 et seq., or any comparable federal, state, territorial or local Law, (e) asbestos in any form or condition, (f) any polychlorinated biphenyls in any form or condition, (g) petroleum, petroleum hydrocarbons or any fraction, constituents, byproducts, derivatives or wastes thereof, and (h) lead, radon, fungus, or mold.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" means (a) all obligations for debt and any other obligation for borrowed money, including principal and accrued and unpaid interest thereon, (b) any obligations under capital leases and purchase money obligations, (c) any amounts owed with respect to drawn letters of credit, (d) all obligations to pay the deferred purchase price of property or services, and (e) any guarantees of obligations of the type described in clauses (a) through (d) above.

"Independent Accounting Firm" has the meaning set forth in Section 10.01(e).

"Independent Referee" has the meaning set forth in Section 1.05(d).

"Insurance Policies" has the meaning set forth in Section 4.14.

"Intellectual Property Rights" means all intellectual property and proprietary rights throughout the world, including all of the following: (i) patents, patent applications, patent disclosures and inventions, (ii) Internet domain names, trademarks, service marks, trade dress, trade names, logos and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith, (iii) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) computer Software, data, data bases and documentation thereof, (vi) trade secrets and other confidential information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial and marketing plans and customer and supplier lists and information), and (vii) copies and tangible embodiments thereof (in whatever form or medium).

"Interim Financial Statements" has the meaning set forth in Section 6.08(c).

"Inventory" has the meaning set forth in Section 4.22.

"Knowledge" has the meaning set forth in Section 12.03.

"Knowledge Event" has the meaning set forth in Section 5.08.

"Known Environmental Condition" means any Hazardous Substance contamination in soil or groundwater known to be existing as of the Closing Date at the Owned Real Property or Leased Real Property as generally described on Schedule 11.1.

"Latest Balance Sheet" has the meaning set forth in Section 4.06(a).

"Law" means all constitutions, laws, statutes, principles of common law, rules, regulations, resolutions, ordinances, codes, edicts, decrees and Orders promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"Leased Real Property" has the meaning set forth in Section 4.08(b).

"Leases" has the meaning set forth in Section 4.08(b).

"Liability" means as to any Person, any Indebtedness, liability, loss, damage, cost, expense, obligation or commitment of such Person of any kind or nature, whether direct or indirect, fixed, absolute or contingent, determined or determinable, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, due or to become due, asserted or unasserted, or known or unknown, and regardless of whether arising out of or based upon Contract, tort, strict liability, statute or otherwise.

"Lien" means any lien, mortgage, security interest, pledge deposit, encumbrance, or other similar restriction.

"Loss" or "Losses" has the meaning set forth in Section 9.02(a).

"Marketing Period" means the first period of fifteen (15) consecutive Business Days commencing after the date hereof and ended prior to the Outside Date throughout which (a) Buyer shall have the Required Information and such Required Information is Compliant, and (b) no event shall have occurred nor shall any condition exist that would cause any of the conditions set forth in Section 2.01 to fail to be satisfied assuming that the Closing were to occur at any time during such fifteen (15) consecutive Business Day period (provided, with respect to Section 2.01(b), only failures to perform or comply with agreements contained in this Agreement that would materially impair the ability of Buyer to arrange the Financing shall be considered for purposes of determining whether such condition has been satisfied); provided, that (i) the Marketing Period shall exclude the Business Days from and including July 3, 2014 to and including July 6, 2014 (the "Black Out Period") (it being understood that any Business Day that occurs in the Black Out Period after the commencement of the Marketing Period shall be disregarded for purposes of calculating the consecutive Business Days constituting the Marketing Period but, for the avoidance of doubt, shall not stop the consecutive nature of the other days both before and after the Black Out Period); and (ii) the Marketing Period shall end on any earlier date on which the Financing is consummated. Notwithstanding anything to the contrary in this Agreement, if Seller shall in good faith reasonably believe it has delivered the Required Information, it may deliver to Buyer a written notice to that effect (stating when it believes it completed such delivery), in which case the Marketing Period shall be deemed to have commenced on the date specified in that notice unless Buyer in good faith reasonably believes Seller has not completed delivery of the Required Information and, within two Business Days after the delivery of such notice by Seller, delivers a written notice to Seller to that effect (stating with reasonable specificity which Required Information Buyer reasonably believes Seller has not delivered).

"Marks" mean fictional business names, trade names, trade dress rights, registered and unregistered Trademarks and service marks and logos, Internet domain names, and all other indicia of origin, and applications for registration thereof and renewals therefor, and like intellectual property rights, and all the goodwill associated with any of the foregoing.

"Material Adverse Effect" means any circumstance, matter, change, development, event, state of facts, occurrence, or effect that, individually or in the aggregate, has had or would reasonably be expected to have, (a) a material and adverse impairment or delay in the ability of Seller to perform its obligations under this Agreement or any Transaction Document to which it is a party or to consummate the transactions contemplated hereby or thereby or (b) a materially adverse effect on the business, Assets, results of operations, or condition (financial or otherwise) of the Acquired Companies taken as a whole, but excluding (and none of the following shall be taken into account in determining whether there has been a Material Adverse Effect) any circumstance, matter, change, development, event, state of facts, occurrence, or effect resulting or arising from (i) any general deterioration in the economy or change in financial or market conditions, including those generally affecting the industries in which the Osmose Entities or their Subsidiaries operate, (ii) the execution of this Agreement or the announcement or pendency of the transactions contemplated by this Agreement, (iii) changes in laws, rules, regulations, Orders or other binding directives issued by any Governmental Body that are not specific to the business or markets in which the Osmose Entities or their Subsidiaries operate, (iv) changes in GAAP, (v) national or international political or social conditions, including any act of terrorism, declaration of war or other global unrest or international

hostilities, except to the extent such events result in direct loss or damage to the tangible Assets of the Osmose Entities or their Subsidiaries, (vi) compliance with the terms of, or the taking of any action contemplated by, this Agreement or any related action, (vii) the taking of any action by, or requested by, Buyer, (viii) any changes in the cost or availability of other terms of the Financing or the Alternate Financing, or (ix) any failure (in and of itself and not with regard to the events underlying such failure) by the Acquired Companies to meet any financial or business forecasts or estimates. Notwithstanding the foregoing, if any matter described in clauses (i), (iii), (iv) and (v) has had or would reasonably be expected to have a disproportionate adverse effect on the business, assets, Liabilities, results of operation, or condition (financial or otherwise) the Acquired Companies taken as a whole, relative to other participants in the industries in which such the Acquired Companies operate, then the impact of such event shall be taken into account for purposes of determining whether a Material Adverse Effect has occurred or is reasonably likely to occur.

"Material Contracts" has the meaning set forth in Section 4.10(a).

"Net Breakage Benefits" means, except to the extent related to Excluded Copper Hedging Contracts, the aggregate amount of net cash amounts payable to Seller pursuant to those copper hedging Contracts to which Seller is party and that are set forth on Schedule 11.3, in each case directly resulting from the termination of such Contracts as of the Closing.

"Net Breakage Costs" means, except to the extent related to Excluded Copper Hedging Contracts, the aggregate amount of net cash amounts payable by Seller pursuant to those copper hedging Contracts to which Seller is party and that are set forth on Schedule 11.3, in each case directly resulting from the termination of such Contracts as of the Closing.

"Net Working Capital" means (a) all current Assets identified on Schedule 1.02(b)(i) (excluding those items identified on Schedule 1.02(b)(i)) of the Acquired Companies, minus (b) all current Liabilities identified on Schedule 1.02(b)(i) (excluding those items identified on Schedule 1.02(b)(i)) of the Acquired Companies. For the avoidance of doubt, the determination of Estimated Net Working Capital and the calculation of Closing Net Working Capital shall take into account only the same line items set forth on Schedule 1.02(b)(i) and shall be determined or calculated in accordance with GAAP and in a manner consistent with, and using the same principles, policies, methods and practices (including as to reserves and accruals) used in, the preparation of the Financial Statements. The parties agree that the purpose of calculating the Estimated Net Working Capital and the Closing Net Working Capital hereunder is to measure changes in Net Working Capital without the introduction of new or different accounting methods, policies, practices, procedures, classifications, judgments or estimation methodologies from GAAP.

"Net Working Capital Target" means $70,300,000.

"New Debt Commitment Letter" has the meaning set forth in Section 6.11(e).

"non-Seller Group Tax Return" has the meaning set forth in Section 10.01(a).

"Oaktree Acquisition Agreement" has the meaning set forth in Section 4.10(c).

"Objections Statement" has the meaning set forth in Section 1.05(d).

"Organizational Documents" means, with respect to any Person, whether foreign or domestic, those instruments that (a) define such Person's existence, as filed or recorded with the applicable Governmental Body, including a company's articles or certificate of incorporation, formation or amalgamation and (b) otherwise govern such Person's internal affairs, including such Person's operating agreement or bylaws, as the same may have been amended, supplemented, or restated to the date hereof. For example, with respect to each Acquired Company, its Organizational Documents are its articles or certificate of incorporation, as amended or restated, and its bylaws, as amended or restated.

"Orders" means, collectively, any judgments, orders, injunctions, or decrees of any court or other Governmental Body.

"Osmose Chemicals" has the meaning set forth in the preamble.

"Osmose Entities" has the meaning set forth in the preamble.

"Osmose Name" and "Osmose Marks" means the Marks or logos owned by Seller or any of its Affiliates for the "Osmose" name, either alone or in combination with other words.

"Osmose Railroad" has the meaning set forth in the preamble.

"ORS Business" has the meaning set forth in the preamble.

"Osmose Unpaid Transaction Expenses" means (a) the fees and disbursements payable to legal counsel, financial advisors, accountants, and other Agents of Seller or the Acquired Companies which are due or payable in connection with the transactions contemplated by this Agreement, including the Restructuring, (b) any bonus, severance, termination, buyout or change in control payments to be paid to any director, officer or employee of an Acquired Company in connection with the transactions contemplated by this Agreement and the Acquired Companies' portion of any payroll taxes payable in connection therewith, in each case, only to the extent they have not been paid by the Acquired Companies in Cash prior to the Closing, (c) any and all deferred employee compensation amounts payable by the Acquired Companies with respect to employees of the Acquired Companies, (d) any and all and retirement and insurance benefits and related liabilities, in each case payable by the Acquired Companies to former employees of the Acquired Companies, (e) 50% of the cost of any "tail" insurance policies provided for in Section 7.02(b), and (f) any unpaid costs and expenses payable by Seller under Section 6.08(d).

"Outside Date" has the meaning set forth in Section 8.01(d).

"Owned Real Property" has the meaning set forth in Section 4.08(c).

"Patent License Agreement" means an agreement to be entered into between Buyer and Seller, substantially in the form of Exhibit B attached hereto.

"Pension Plans" has the meaning set forth in Section 4.13(a).

"Permit" means any approval, authorization, Consent, license, permit or certificate of a Governmental Body.

"Permitted Liens" means (a) statutory Liens for current Taxes not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Osmose Entities or their Subsidiaries and for which adequate reserves have been maintained in accordance with GAAP, (b) landlords', mechanics', carriers', workers', repairers, materialmens' and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not yet due and payable, (c) zoning, entitlement, building and other land use regulations imposed by Governmental Bodies having jurisdiction over the Leased Real Property or the Owned Real Property which are not violated by the current use and operation of the Leased Real Property and the Owned Real Property, (d) covenants, conditions, restrictions, easements and other similar matters affecting title to the Leased Real Property or the Owned Real Property which do not materially impair the occupancy or use of the Leased Real Property or the Owned Real Property for the purposes for which they are currently used in connection with the Osmose Entities' and their Subsidiaries' businesses, (e) public roads and highways, (f) matters which would be disclosed by an inspection or accurate survey of each parcel of Leased Real Property and Owned Real Property which, individually and in the aggregate, do not materially impair or interfere with the occupancy and current use of such Leased Real Property or Owned Real Property which they encumber), (g) purchase money liens and Liens securing rental payments under capital lease arrangements that are set forth on the Financial Statements and which do not impair or interfere with the occupancy and current use of such Leased Real Property or Owned Real Property which they encumber, (h) those matters identified on Schedule 11.4 of the Disclosure Schedules, and (i) Liens created by any act of Buyer.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Governmental Body.

"Personally Identifiable Information" has the meaning set forth in Section 4.11(e).

"Plans" has the meaning set forth in Section 4.13(a).

"PLL Policy" means Seller's Pollution Legal Liability Select Policy (No. 19043128) as in effect on the date hereof.

"Post-Closing Purchase Price Adjustment" has the meaning set forth in Section 1.05(e).

"Pre-Closing Claims" has the meaning set forth in Section 7.07(b).

"Pre-Closing Estimates" has the meaning set forth in Section 1.02(b).

"Pre-Closing Tax Period" means (a) any Tax period ending on or before the Closing Date and (b) with respect to a Tax period that commences before but ends after the Closing Date, the portion of such period up to and including the Closing Date.

"Professional Services Agreement" means an agreement to be entered into between Seller and Osmose Chemicals, substantially in the form of Exhibit C attached hereto.

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

"Property A" has the meaning set forth in Section 7.10.

"Property A Response Costs" means the costs and expenses incurred by the Buyer Indemnities for any Response Action to address a Known Environmental Condition at or migrating from Property A.

"Property B" means that certain Owned Real Property described on Schedule 7.10.

"Property B Response Costs" means the costs and expenses incurred by the Buyer Indemnitees for any Response Action to address a Known Environmental Condition at or migrating from Property B.

"Purchase Price" has the meaning set forth in Section 1.02(a).

"Purchase Price Adjustment Determination Date" has the meaning set forth in Section 1.05(e)(i).

"Purchase Price Adjustment Shortfall" has the meaning set forth in Section 1.05(e)(ii).

"Purchase Price Adjustment Surplus" has the meaning set forth in Section 1.05(e)(i).

"PWC" has the meaning set forth in Section 1.05(d).

"Receivables" means all accounts and notes receivable of the Acquired Companies on an aged basis by account debtor.

"Related Party" has the meaning set forth in Section 12.16.

"Required Consents" has the meaning set forth in Section 2.01(l).

"Required Information" means the 2013 Audited Financial Statements.

"Response Action" means any environmental investigation, monitoring, compliance, mitigation, removal, corrective action, remedial action or response action.

"Response Costs" means the costs and expenses incurred by the Buyer Indemnitees for any Response Action required by Environmental Laws or an unsolicited Order from a Governmental Body to address a Known Environmental Condition at an Owned Real Property or Leased Real Property (excluding Property A and Property B), to the extent such costs and expenses with respect to any specific site are in excess of the site-by-site specific reserve for environmental remediation as set forth on Schedule 11.5 attached hereto.

"Restricted Parties" means Oaktree Principal Fund V (Delaware), L.P., Oaktree FF Investment Fund, L.P. - Class A and Oaktree Power Opportunities Fund III Delaware, L.P.

"Restructuring" has the meaning set forth in the preamble.

"Review Period" has the meaning set forth in Section 1.05(b).

"Section 338(g) Election" has the meaning set forth in Section 10.01(k).

"Section 338(h)(10) Election" has the meaning set forth in Section 10.01(e).

"Securities Act" means the Securities Act of 1933, as amended.

"SEC" means the U.S. Securities and Exchange Commission.

"Seller" has the meaning set forth in the preamble.

"Seller Affiliated Party" means (a) each Person (other than an Acquired Company) who owns of record or beneficially at least 20% of the outstanding capital stock of an Acquired Company as of the date of this Agreement; (b) each individual who is, or who has at any time since January 1, 2011 been, an officer or director of any Acquired Company; (c) each Affiliate of the Persons referred to in clause "(b)" above; and (d) each Subsidiary or controlled Affiliate of Seller (other than the Acquired Companies).

"Seller Fundamental Representations" means, collectively, the representations and warranties contained in Sections 3.01 (Authorization; Valid and Binding Agreement), 3.03 (Ownership), 3.05 (Brokerage), 4.01 (Organization and Corporate Power), 4.02 (Subsidiaries), 4.03 (Authorization; Valid and Binding Agreement), 4.05 (Capital Stock), and 4.27 (Brokerage).

"Seller Group" means, with respect to U.S. federal income Taxes, the affiliated group of corporations (as defined in Section 1504(a) of the Code) of which OHI Intermediate Holdings, Inc. is the common parent and an Acquired Company is a member and, with respect to state, local or foreign Taxes, any consolidated, combined or unitary group of which an Acquired Company, on the one hand, and OHI Intermediate Holdings, Inc., Seller, or their Affiliates (excluding the Acquired Companies) are members for such state, local or foreign Tax purposes.

"Seller Group Tax Return" means any Tax Return of any Seller Group, except for any Tax Return related to a Post-Closing Tax Period that contains any Tax item, from a Post-Closing Tax Period, of an Acquired Company.

"Seller Indemnitees" has the meaning set forth in Section 9.03(a).

"Seller Releasing Parties" has the meaning set forth in Section 9.11.

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

"Software" means all computer software (including all source code and object code) and all databases owned by a Person or under development for a Person itself or by third parties.

"Special Deductible" has the meaning set forth in Section 9.02(b).

"Special Escrow Amount" has the meaning set forth in Section 1.04(a)(i).

"Special Escrow Account" has the meaning set forth in Section 1.04(a)(i).

"Special Indemnity" has the meaning set forth in Section 9.02(b).

"Straddle Period" has the meaning set forth in Section 10.01(j).

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons shall be allocated a majority of partnership, association or other business entity gains or losses or shall be or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity.

"Tax" or "Taxes" shall mean any federal, state, local or foreign income, gross receipts, license, payroll, employment, severance, premium, windfall profits, environmental, customs, duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any manner, including any interest, penalty or addition thereto.

"Tax Returns" means any return, report, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any Governmental Body or other authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws, regulations or administrative requirements relating to any Tax.

"Third-Party Claim" has the meaning set forth in Section 9.05(a).

"Trademarks" means trademarks, service marks, and certification marks.

"Trademark License Agreement" means an agreement to be entered into between Buyer and Seller, substantially in the form of Exhibit D attached hereto.

"Transaction Documents" means this Agreement, the Escrow Agreement, the Transition Services Agreement, the Patent License Agreement, the Trademark License Agreement, and the Professional Services Agreement.

"Transfer Taxes" has the meaning set forth in Section 10.01(b).

"Transferred Business" has the meaning set forth in the preamble.

"Transition Services Agreement" means the Transition Services Agreement to be entered into by and between Buyer and Seller at the Closing, in the form attached hereto as Exhibit E.

"Transition Team" has the meaning set forth in Section 6.02(b).

"Unaudited Financial Statements" has the meaning set forth in Section 4.06(a).

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended.

"Welfare Plans" has the meaning set forth in Section 4.13(a).

"WPG Business" has the meaning set forth in the preamble.

11.02 Other Definitional Provisions.

(a) All references in this Agreement to Exhibits, Disclosure Schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, Disclosure Schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof.

(b) Exhibits, Schedules, and Disclosure Schedules to this Agreement are attached hereto and incorporated herein by reference and made a part hereof for all purposes.

(c) The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Article," "this Section" and "this subsection," and words of similar import, refer only to the Article, Section or subsection hereof in which such words occur. The word "or" is exclusive, and the word "including" (in its various forms) means "including without limitation."

(d) Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

ARTICLE 12

MISCELLANEOUS

12.01 Press Releases and Communications. No press release or public announcement related to this Agreement or the transactions contemplated herein shall be issued or made by any party hereto without the joint approval of Buyer and Seller; provided, that the provisions of this Section 12.01 shall not prohibit (a) any disclosure or filing required by any applicable Law (including any federal securities laws); provided that, prior to Closing, if such disclosure or filing is being made by Buyer in order to comply with federal or state securities Laws or as reasonably necessary in connection therewith (including in investor conference calls), at least two (2) Business Days prior to making any such disclosure or filing, Buyer shall provide Seller with a draft of such disclosure or filing and an opportunity to comment thereon before such disclosure or filing is made or (b) any disclosure made in connection with the enforcement of any right or remedy relating to this Agreement; provided further that the foregoing shall not restrict or prohibit the Osmose Entities from making any announcement (subject to Seller providing Buyer, for any such announcement to be made in writing, with a draft of such announcement at least two (2) Business Days prior to making such announcement, and providing Buyer an opportunity to comment thereon before such announcement is made) to its employees, customers, suppliers and other business relationships to the extent the Osmose Entities reasonably determines in good faith that such announcement is necessary or advisable. For the avoidance of doubt, the parties acknowledge and agree that Oaktree Capital Management, L.P. and its Affiliates (except for the Osmose Entities and their Subsidiaries) may provide general information about the subject matter of this Agreement in connection with Oaktree Capital Management, L.P.'s or its Affiliates' normal fund raising, marketing, informational or reporting activities. Notwithstanding anything contained herein to the contrary, in no event shall Buyer or, after the Closing, the Osmose Entities have any right to use Oaktree Capital Management, L.P.'s name or mark, or any abbreviation, variation or derivative thereof, in any press release, public announcement or other public document or communication without the express written consent of Oaktree Capital Management, L.P.

12.02 Expenses; Interest. Except as otherwise expressly provided herein, each of Buyer, the Osmose Entities and Seller shall each pay their own expenses (including attorneys' and accountants' fees and expenses) in connection with the negotiation of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated by this Agreement (whether consummated or not).

12.03 Knowledge Defined. For purposes of this Agreement, the term "Knowledge" as used herein (i) in respect of Seller shall mean the actual knowledge of Elias Akle, David Bradley, Michael Cicchella, Timothy Goslin, Paul Goydan, Harry Holekamp, Michael Leach, Tom Marr, Ian McConnell, Steve Reeder, James Spengler and Mike Tweet, and (ii) in respect of Buyer shall mean the actual knowledge of the Buyers' Management Group.

12.04 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted via telecopy (or other facsimile device) to the number set forth below if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the Business Day following the day on which the same has been delivered to a recognized overnight delivery service (charges prepaid) or (d) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing by the recipient party to the sending party:

Notices to Buyer (and, after the Closing, the Osmose Entities):

Koppers Inc.
436 Seventh Avenue,
Pittsburgh, Pennsylvania 15219
Facsimile: (412) 227-2333
Attention: Steven Lacy, Esq.

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

K&L Gates LLP
K&L Gates Center
210 Sixth Avenue
Pittsburgh, Pennsylvania 15222
Facsimile: (412) 355-6501
Attention: David A. Edgar, Esq.

Notices to Seller:

Osmose Holdings, Inc.
980 Ellicott Street
Buffalo, New York 14209-2398
Facsimile: (716) 882-5139
Attention: James Spengler

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

c/o Oaktree Capital Management, L.P.
11611 San Vicente Boulevard
Suite 700
Los Angeles, California 90049
Facsimile: (310) 442-0540
Attention: Ian A. Schapiro

and:

Oaktree Capital Management, L.P.
333 South Grand Avenue
Los Angeles, California 90071
Facsimile: (213) 830-6394
Attention: Michael P. Harmon

and:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Facsimile: (312) 862-2200
Attention: Christopher J. Greeno, P.C.
Tana M. Ryan

Notices to the Osmose Entities (prior to the Closing):

Osmose, Inc.
Osmose Railroad Services, Inc.
c/o Osmose Holdings, Inc.
980 Ellicott Street
Buffalo, New York 14209-2398
Facsimile: (716) 882-5139
Attention: James Spengler

with copies to (which shall not constitute notice):

c/o Oaktree Capital Management, L.P.
11611 San Vicente Boulevard
Suite 700
Los Angeles, California 90049
Facsimile: (310) 442-0540
Attention: Ian A. Schapiro

and:

Oaktree Capital Management, L.P.
333 South Grand Avenue
Los Angeles, California 90071
Facsimile: (213) 830-6394
Attention: Michael P. Harmon

and:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Facsimile: (312) 862-2200
Attention: Christopher J. Greeno, P.C.
Tana M. Ryan

12.05 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by any party hereto without the prior written consent of the other parties hereto. Notwithstanding the foregoing, (i) Buyer may assign this Agreement to any Subsidiary of Buyer, or to any lender to Buyer or any Subsidiary or Affiliate thereof as security for obligations to such lender in respect of any financing arrangements entered into in connection with the transactions contemplated hereby and any refinancings, extensions, refundings or renewals thereof, provided that no assignment to any such Subsidiary or lender shall in any way affect Buyer's obligations or liabilities under this Agreement, and (ii) after the Closing, Seller may assign this Agreement to any of its beneficial owners or successors by operation of law, provided that no assignment to any such beneficial owner or successor shall in any way affect Seller's obligations or liabilities under this Agreement.

12.06 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

12.07 No Strict Construction; Disclosure Schedules. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person. The Disclosure Schedules attached to this Agreement have been arranged for purposes of convenience in separately titled sections corresponding to sections of this Agreement; provided however, that each section of the Disclosure Schedules shall be deemed to incorporate by reference all information disclosed in any other section of the Disclosure Schedules only to the extent it is reasonably apparent on the face of such disclosure that it relates to such section. Capitalized terms used in the Disclosure Schedules and not otherwise defined therein have the meanings given to them in this Agreement. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement or the Disclosure Schedules attached hereto is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the ordinary course of business, and no party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the Disclosure Schedules in any dispute or controversy between the parties as to whether any obligation, item or matter not described or included in this Agreement or in any Disclosure Schedule is or is not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or is within or outside of the ordinary course of business for purposes of this Agreement. The information contained in this Agreement and in the Disclosure Schedules hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever (including any violation of Law or breach of contract).

12.08 Amendment and Waiver. Any provision of this Agreement or the Disclosure Schedules or Exhibits hereto may be amended only in a writing signed by Buyer, the Osmose Entities and Seller. No waiver by any party of any provision of this Agreement or any default, misrepresentation or breach hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the party making such waiver, and no such waiver shall extend to or affect in any way any other provision or prior or subsequent breach, misrepresentation or default.

12.09 Complete Agreement. This Agreement, including the Disclosure Schedules and Exhibits hereto and the other documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

12.10 Counterparts. This Agreement may be executed in multiple counterparts (including by means of signature pages by facsimile or by e-mail transmission in PDF format), any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument.

12.11 Governing Law. All matters relating to the interpretation, construction, validity and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.

12.12 Consent to Jurisdiction and Service of Process. The parties to this Agreement submit to the exclusive jurisdiction of the state courts of the State of New York, County of New York and the United States District Court for the Southern District of New York, in respect of all claims directly or indirectly arising out of or relating to this Agreement and the transactions contemplated hereby, and by this Agreement waive, and agree not to assert, any defense, in any Action for the interpretation or enforcement of this Agreement and any related agreement, certificate or other document delivered in connection herewith, that they are not subject thereto or that such Action may not be brought or is not maintainable in such courts or that this Agreement may not be enforced in or by such courts or that their property is exempt or immune from execution, that the Action is brought in an inconvenient forum, or that the venue of the Action is improper. Service of process with respect thereto may be made upon any party by mailing a copy thereof by registered or certified mail, postage prepaid, to such party at its address as provided in Section 12.04.

12.13 Waiver of Jury Trial. Each party hereto hereby acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement. Each party certifies and acknowledges that (i) no representative, Agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) such party understands and has considered the implications of this waiver, (iii) such party makes this waiver voluntarily, and (iv) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 12.13.

12.14 No Third-Party Beneficiaries. No Person other than the parties hereto shall have any rights, remedies, or benefits under any provision of this Agreement, other than Sections 9.02 and 9.03 (to the extent provided therein), except for the directors and officers of the Osmose Entities and their Subsidiaries solely with respect to Section 7.02.

12.15 Specific Performance.

(a) The parties agree that irreparable harm for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the parties hereto do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder in order to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. Accordingly, each of the parties acknowledges and agrees that, subject to the other provisions of this Article 12, prior to any termination of this Agreement pursuant to Section 8.01, (i) they shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to

enforce specifically the terms and provisions hereof, including with respect to the making of required regulatory filings in connection with the transactions contemplated hereby and (ii) it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (A) the other party has an adequate remedy at law or (B) an award of specific performance is not an appropriate remedy for any other reason at law or equity. Any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security or provide proof of actual damages in connection with any such Order or injunction.

(b) The parties further agree that (i) by seeking the remedies provided for in this Section 12.15, a party shall not in any respect waive its right to seek any other form of relief that may be available under this Agreement (including monetary damages) in the event that the remedies provided for in this Section 12.15 are not available or otherwise are not granted or satisfied and (ii) nothing in this Section 12.15 or a party's pursuit of any rights under this Section 12.15 restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 8.01.

(c) Notwithstanding the foregoing or anything else in this Agreement to the contrary, it is explicitly agreed that the right of Seller to an injunction, specific performance or other equitable remedies in connection with enforcing Buyer's obligation to consummate the transactions contemplated by this Agreement (but not the right of Seller to such injunctions, specific performance or other equitable remedies for obligations other than to consummate the transactions contemplated by this Agreement) shall be subject to the requirements that (i) all conditions to Buyer's obligations set forth in Section 2.01 were satisfied or waived in writing by Buyer (provided that this clause (i) shall not apply to those conditions that by their terms are to be satisfied only by actions taken at the Closing), (ii) all the conditions to the consummation of the Financing contemplated by the Debt Commitment Letter (other than any conditions that are within the control of Buyer to be satisfied, and those conditions that by their terms are to be satisfied only by actions taken at the Closing) have been satisfied or waived and the Financing is available, and (iii) Seller has irrevocably confirmed that if the Financing is funded, then it would take such actions that are within its control to cause the Closing to occur.

12.16 Remedy in Case of Financing Failure. In the event that all of the conditions to Buyer's obligations set forth in Section 2.01 are satisfied (other than those conditions that by their terms are to be satisfied by actions taken at Closing) and Buyer fails to consummate the transactions contemplated by this Agreement on the date the Closing should have occurred pursuant to Section 1.03 solely due to a failure of Buyer to obtain the Financing or, if applicable, the Alternate Financing to be funded by the Financing Sources (a "Financing Failure"), then Buyer shall pay to Seller a liquidated damages payment in cash equal to $36,800,000 (the "Financing Failure Payment"), which must be paid within two (2) Business Days after such date the Closing should have occurred pursuant to Section 1.03. Notwithstanding anything to the contrary in this Agreement, it is agreed that the Financing Failure Payment is the sole and exclusive remedy of Seller and its Affiliates in the event of a Financing Failure, and that upon tendering of payment of the Financing Failure Payment in accordance with this Section 12.16, neither Buyer, any of its Affiliates or any of their respective

stockholders, directors, officers, employees, Agents, or representatives, Financing Sources, or assignees (each a "Related Party" and, collectively "Related Parties") will have any Liability to Seller or any of its Affiliates, and Seller and its Affiliates shall have no recourse or remedy with respect to Buyer or any of the Related Parties, for any matter relating to or arising out of this Agreement, the Debt Commitment Letter, or the transactions or other documents contemplated by this Agreement or the Debt Commitment Letter, whether at law or equity, in contract, in tort or otherwise. Each of Buyer and Seller acknowledges and agrees that the Financing Failure Payment is not a penalty, but rather constitutes liquidated damages in a reasonable amount that will compensate Seller in the circumstance in which the Financing Failure Payment is payable. In the event that any Action is commenced by or on behalf of Seller in order to enforce this Section 12.16, Seller shall be entitled to be reimbursed for its reasonable fees and expenses incurred in successfully enforcing this Section 12.16. For the avoidance of doubt, nothing herein shall in any way limit Seller's remedies in connection with a termination of this Agreement in accordance with Section 8.01, or a failure of Buyer to otherwise consummate the transactions contemplated by this Agreement, other than in the event of a Financing Failure.

12.17 Attorney-Client Privilege and Conflict Waiver. Kirkland & Ellis LLP has represented the Osmose Entities and Seller. All of the parties recognize the commonality of interest that exists and will continue to exist until Closing, and the parties agree that such commonality of interest should continue to be recognized after the Closing. Specifically, the parties agree Buyer shall not, and shall not cause the Osmose Entities to, seek to have Kirkland & Ellis LLP disqualified from representing Seller in connection with any dispute that may arise between Seller and Buyer or the Osmose Entities and their Subsidiaries in connection with this Agreement or the transactions contemplated hereby and in connection with any such dispute that may arise between Seller and Buyer or the Osmose Entities or Seller involved in such dispute (and not Buyer or the Osmose Entities) will have the right to decide whether or not to waive the attorney-client privilege that may apply to any communications between the Osmose Entities and Kirkland & Ellis LLP that occurred before the Closing.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

OSMOSE ENTITIES:

OSMOSE, INC.

By: /s/ Paul A. Goydan
Name: Paul A. Goydan
Its: President

OSMOSE RAILROAD SERVICES, INC.

By: /s/ Harry A. Holekamp
Name: Harry A. Holekamp
Its: President

SELLER:

OSMOSE HOLDINGS, INC.

By: /s/ James R. Spengler, Jr.
Name: James R. Spengler, Jr.
Its: Chairman and CEO

BUYER:

KOPPERS INC.

By: /s/ Walter W. Turner
Name: Walter W. Turner
Its: President and Chief Executive Officer

AMENDED AND RESTATED BYLAWS

OF

Koppers Holdings Inc.
(a Pennsylvania Corporation)
August 6, 2014

ARTICLE I

Offices and Fiscal Year

Section 1.01. Registered Office Provider. The name of the registered office provider of the corporation and the county of venue is Corporation Service Company, Allegheny County, until otherwise established by an amendment of the articles of incorporation (the "articles") or by the Board of Directors and a record of such change is filed with the Pennsylvania Department of State in the manner provided by law.

Section 1.02. Other Offices. The corporation may also have offices at such places within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time appoint or the business of the corporation may require.

Section 1.03. Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of January in each year.

ARTICLE II

Notice–Waivers–Meetings Generally

Section 2.01. Manner of Giving Notice.

(a) General Rule. Whenever written notice is required to be given to any person under the provisions of the Pennsylvania Business Corporation Law of 1988 (as amended from time to time, the "Business Corporation Law") or by the articles or these bylaws, it may be given to the person: (1) by personal delivery, (2) by facsimile transmission, e-mail or other electronic communication to his or her facsimile number or address for e-mail or other electronic communication supplied by him or her to the corporation for the purpose of notice, or (3) by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified) or courier service, charges prepaid, to the address of the person appearing on the books of the corporation or, in the case of notice to be given to a director, to the address supplied by the director to the corporation for the purpose of notice. If the notice is sent by mail, telegram or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person. Notice given by facsimile transmission, e-mail or other electronic communication shall be deemed to have been given to the person entitled thereto when sent. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any other provision of the Business Corporation Law, the articles or these bylaws.

Section 2.02. Notice of Meetings of Board of Directors. Notice of a regular meeting of the Board of Directors need not be given, except as required by law. Notice of every special meeting of the Board of Directors shall be given to each director at least 24 hours (in the case of notice by telephone, facsimile transmission, e-mail or other electronic communication) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in a notice of a meeting.

Section 2.03. Notice of Meetings of Shareholders.

(a) General Rule. Written notice specifying the place, date and time of every meeting of the shareholders shall be given by, or at the direction of, the Secretary or other authorized person to each shareholder of record entitled to vote at the meeting at least (1) ten days prior to the day named for a meeting called to consider a fundamental change under Chapter 19 of the Business Corporation Law or (2) five days prior to the day named for the meeting in any other case. If the Secretary neglects or refuses to give notice of a meeting, the person or persons calling the meeting may do so. In the case of a special meeting of shareholders, the notice shall specify the general nature of the business to be transacted.

(b) Notice of Action by Shareholders on Bylaws. In the case of a meeting of shareholders that has as one of its purposes action on the bylaws, written notice shall be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the bylaws. There shall be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be affected thereby.

(c) Adjourned or Recessed Shareholder Meetings. When a meeting of shareholders is adjourned or recessed, it shall not be necessary to give any notice of the adjourned or recessed meeting or of the business to be transacted at an adjourned or recessed meeting, other than by announcement at the meeting at which the adjournment or recess is taken, unless the Board of Directors fixes a new record date for the adjourned or recessed meeting in which event notice shall be given in accordance with this Section 2.03.

Section 2.04. Waiver of Notice.

(a) Written Waiver. Whenever any written notice is required to be given under the provisions of the Business Corporation Law, the articles or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.05. Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Business Corporation Law or the articles or these bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 2.06. Exception to Requirement of Notice-Shareholders Without Forwarding Addresses. Notice or other communications need not be sent to any shareholder with whom the corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder are returned unclaimed or the shareholder has otherwise failed to provide the corporation with a current address. Whenever the shareholder provides the corporation with a current address, the corporation shall commence sending notices and other communications to the shareholder in the same manner as to other shareholders.

Section 2.07. Use of Conference Telephone and Similar Equipment. Any director may participate in any meeting of the Board of Directors, and the Board of Directors may provide by resolution with respect to a specific meeting or with respect to a class of meetings that one or more persons may participate in a meeting of the shareholders of the corporation, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 2.07 shall constitute presence in person at the meeting.

ARTICLE III

Shareholders

Section 3.01. Place of Meeting. All meetings of the shareholders of the corporation shall be held at the registered office of the corporation unless another place is designated by the Board of Directors in the notice of a meeting.

Section 3.02. Annual Meeting. The Board of Directors may fix and designate the date and time of the annual meeting of the shareholders, but if no such date and time is fixed and designated by the Board of Directors, the meeting for any calendar year shall be held on the third Wednesday of April in such year, if not a legal holiday under the laws of the Commonwealth of Pennsylvania, and, if a legal holiday, then on the next succeeding business day, not a Saturday, at 10:00 a.m. The business at an annual meeting of shareholders shall include (a) a review of the business of the preceding year, (b) the election of directors to succeed those whose terms shall expire, and (c) such other business as may properly be brought before the meeting as provided in this Article III. The proposal of business to be considered by the shareholders at an annual meeting of shareholders shall be made only (w) pursuant to the corporation’s notice of meeting, (x) by the chairman of the meeting, (y) by or at the direction of the Board of Directors, or (z) by one or more shareholders in accordance with applicable rules of the Securities and Exchange Commission and the provisions of this Article III.

Section 3.03. Special Meetings. Special meetings of the shareholders may be called at any time by resolution of the Board of Directors or the chairman of the Board of Directors, which may fix the date, time and place of the meeting. If the Board of Directors or chairman does not fix the date, time or place of the meeting, it shall be the duty of the Secretary to do so. A date fixed by the Secretary shall not be more than 60 days after the date of the adoption of the resolution of the Board of Directors calling the special meeting.

Section 3.04. Nominations of Directors.

(a) Only persons who are nominated in accordance with the procedures set forth in this Section 3.04 shall be eligible to serve as directors of the corporation. Nominations of a person for election to the Board of Directors may be made at a meeting of shareholders (1) by or at the direction of the Board of Directors, or (2) by any shareholder of the corporation who is a shareholder of record at the time of giving notice provided for in this Section 3.04, who shall be entitled to vote for the election of the Board of Directors at the meeting of shareholders, and who complied with the substantive and procedural requirements set forth in this Section 3.04.

(b) Nominations by shareholders shall be made pursuant to a timely notice in writing to the Secretary of the corporation. To be timely, a shareholder's notice given pursuant to this Section 3.04 must be received at the principal executive offices of the corporation (1) in the case of an annual meeting, no later than the later of (A) not less than 90 days nor more than 120 days prior to such annual meeting as set forth above (unless a different date for such notice has been stated in the corporation's most recent proxy materials distributed to shareholders), or (B) if the annual meeting is to be held on a date other than the third Wednesday of April in such year as set forth above, the close of business on the tenth day following the first public disclosure of the date of such meeting and (2) in the case of a special meeting at which directors are to be elected, no later than the close of business on the tenth day following the earlier of the day on which notice of the date of the special meeting was mailed or the first public disclosure was made. The first public disclosure of the date of any meeting of shareholders shall be when public disclosure of such meeting date is first made in a filing by the corporation with the Securities and Exchange Commission, in any notice given to the New York Stock Exchange, or in a news release reported by any national news service. In no event shall the public announcement of an adjournment or recess of a meeting commence a new time period for the giving of a shareholder's notice as described above.

(c) The notice required by this Section 3.04 shall set forth

(1) (A) the name, age, business address, and residence address of each proposed nominee, (B) the principal occupation of each proposed nominee, (C) a representation that the notifying shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (D) if known, the class and total number of shares of the corporation that are beneficially owned by the proposed nominee, (E) the total number of shares of the corporation that will be voted by the notifying shareholder for each proposed nominee, (F) a description of all arrangements or understandings between the notifying shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to

be made by the notifying shareholder, (G) as to each proposed nominee, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors or is otherwise required, in each case, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), applicable listing standards, and other applicable law (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director, if elected, and including information as to the purpose of such nomination), and (H) a written representation and agreement executed by each nominee (in a form provided by the corporation), delivered to the Secretary of the corporation at the principal executive offices of the corporation, from such proposed nominee (i) disclosing and, if elected as director during his or her term of office, providing such director will disclose, (1) any agreement, arrangement, or understanding with, and any commitment or assurance to, any person or entity as to how much such proposed nominee, if elected as a director of the corporation, will act or vote on any issue or question or (2) any other commitments that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the corporation, with such proposed nominee's fiduciary duties under applicable law, (ii) disclosing, and providing such director will disclose becoming a party to, any agreement, arrangement, or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement, or indemnification for candidacy or services as a director, and (iii) if elected as a director of the corporation, providing such director will comply with this Section 3.04(c) and all applicable corporate governance, conflict of interest, confidentiality, stock ownership, trading, and other policies and guidelines of the corporation applicable to directors; and

(2) As to the shareholder giving notice and any Shareholder Associated Person (as defined below), if any, on whose behalf the nomination is made (A) the name and address of such shareholder, as they appear on the corporation's books, and of each such Shareholder Associated Person, (B) the class and number of shares of the corporation which are beneficially owned and of record by such shareholder and each such Shareholder Associated Person, as well as any other ownership interests in the corporation held by such shareholder and each such Shareholder Associated Person, including derivatives, hedged positions, and any other economic or voting interests in the corporation, including, but not limited to: (i) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the corporation or with a value derived in whole or in part from the value of any class or series of shares of the corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such shareholder or each such Shareholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the corporation, (ii) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder or each such Shareholder Associated Person has a right to

vote any shares of any security of the corporation, (iii) any short interest in any security of the corporation (for purposes of this Section 3.04(c) a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (iv) any rights to dividends on the shares of the corporation owned beneficially by such shareholder or each such Shareholder Associate Person that are separated or separable from the underlying shares of the corporation, (v) any proportionate interest in shares of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareholder or each such Shareholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, and (vi) any performance-related fees (other than an asset-based fee) that such shareholder or each such Shareholder Associated Person is entitled to, based on any increase or decrease in the value of shares of the corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation, any such interests held by members of the immediate family of such shareholder or each such Shareholder Associated Person sharing the same household, (C) a representation whether the shareholder or Shareholder Associated Person, if any, intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to elect the nominee, or otherwise to solicit proxies from shareholders in support of such nomination, (D) whether and the extent to which any other hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement, or understanding (including any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss or manage risk, or to increase or decrease the voting power of, such shareholder or any such Shareholder Associated Person with respect to any share of stock of the corporation, and (E) any other information relating to each other party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal or for the elections of directors in a contested election pursuant to Section 14 of the Exchange Act (whether or not such party intends to deliver a proxy statement or conduct its own proxy solicitation). A "Shareholder Associated Person" of any shareholder includes (X) any person or entity controlling, directly or indirectly, or acting in concert with, such shareholder, (Y) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such shareholder, and (Z) any person or entity controlling, controlled by, or under common control with such Shareholder Associated Person. The corporation may require any proposed nominee to (1) submit to background checks (including through a third party investigation firm) and an in-person interview and (2) furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.

(d) The notice required by this Section 3.04 shall be updated and supplemented by the shareholder giving notice and any Shareholder Associated Person, if any, so that the information provided or required to be provided in such notice shall be true and correct (1) as of the record date for the meeting and (2) as of the date that is ten business days prior to the meeting or any adjournment or recess thereof. Such update and supplement shall be delivered to, or mailed and received by, the Secretary of the corporation at the principal executive offices of the corporation not later than five business after the record date for the meeting (in the case of the update and supplement required to be made as of such record date), and not later than five business days prior to the date for the meeting or, if practicable, any adjournment or recess thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or recessed) (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or recess thereof).

(e) This Section 3.04 shall be the exclusive means for a shareholder to make director nominations. The chairman of the meeting of shareholders may refuse to permit any nomination for the election of a director to be made at any meeting by a shareholder who has not complied with all of the foregoing procedures in this Section 3.04. Any such decision by the chairman of the meeting shall be final, binding, and conclusive upon all parties in interest. Notwithstanding the foregoing provisions of this Section 3.04, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder are not intended to, and shall not limit, the requirements applicable to nominations by a shareholder pursuant to this Section 3.04. Subject to complying with the substantive and procedural requirements of this Section 3.04, nothing in this Section 3.04 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8, or any successor rule, under the Exchange Act.

Section 3.05. Notice of Shareholder Business.

(a) At an annual or special meeting of the shareholders, only such business other than nominations (which nominations are separately governed by Section 3.04 of this Article III) shall be conducted as shall have been brought before the meeting (1) pursuant to the corporation's notice of meeting, (2) by the chairman of the meeting, (3) by or at the direction of the Board of Directors, or (4) as to an annual meeting, by a shareholder of the corporation who is a shareholder of record at the time of giving the notice provided for in this Section 3.05, who shall be entitled to vote at such meeting and who complies with the substantive and procedural requirements set forth in this Section 3.05. Clause (4) shall be the exclusive means for a shareholder to submit other business before an annual meeting of shareholders.

(b) For business to be properly brought before an annual meeting by a shareholder pursuant to clause (4) of Section 3.05(a), the shareholder must have given timely notice thereof in writing to the Secretary of the corporation, and any such proposed business must constitute a proper matter for shareholder action. To be timely, a shareholder's notice given pursuant to this Section 3.05 must be received at the principal executive offices of the corporation no later than the later of (1) not less than 90 days nor more than 120 days prior to such annual meeting as set forth above (unless a different date for such notice has been stated in the corporation's most recent proxy materials distributed to shareholders) or (2) if the annual

meeting is to be held on a date other than the third Wednesday of April in such year as set forth above, the close of business on the tenth day following the first public disclosure of the date of such meeting.

(c) A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the meeting (1) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, and if a specific action is to be proposed, the text of the resolution or resolutions which the shareholder proposes that the corporation adopt, (2) any material interest of such shareholder of record and the Shareholder Associated Person, if any, on whose behalf the proposal is made in such business, (3) a representation that the shareholder intends to appear in person or by proxy at the meeting to bring before the meeting the business specified in the notice, (4) the total number of shares of the corporation that will be voted by the notifying shareholder for such proposal, and (5) as it relates to such shareholder and any Shareholder Associated Person and, as applicable such proposal, the information required by Section 3.04(c)(2).

(d) The notice required by this Section 3.05 shall be updated and supplemented by the shareholder giving notice and any Shareholder Associated Person, if any, so that the information provided or required to be provided in such notice shall be true and correct (1) as of the record date for the meeting and (2) as of the date that is ten business days prior to the meeting or any adjournment or recess thereof. Such update and supplement shall be delivered to, or mailed and received by, the Secretary of the corporation at the principal executive offices of the corporation not later than five business after the record date for the meeting (in the case of the update and supplement required to be made as of such record date), and not later than five business days prior to the date for the meeting or, if practicable, any adjournment or recess thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or recessed) (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or recess thereof).

(e) Notwithstanding anything in these bylaws to the contrary, except as set forth in Section 3.04, no business shall be conducted at a meeting of shareholders except in accordance with the procedures set forth in this Section 3.05. The chairman of the meeting may refuse to permit any proposal to be made at any meeting by a shareholder who has not complied with all of the foregoing procedures. Any such decision by the chairman of the meeting shall be final, binding, and conclusive upon all parties in interest. Notwithstanding the foregoing provisions of this Section 3.05, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder, applicable listing standards, and other applicable law with respect to the matters set forth in this Section 3.05. Subject to complying with the substantive and procedural requirements of this Section 3.05, nothing in this Section 3.05 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8, or any successor rule, under the Exchange Act.

For the purposes of Section 3.04 and Section 3.05 of this Article III, (a) the beneficial ownership of any person or entity shall be determined in accordance with Rule 13d-3, or any successor rule, under the Exchange Act and (b) the term "control" (including the terms "controlling," "controlled by" and "under common control with") shall have the meaning ascribed to such term under Rule 12b-2, or any successor rule, under the Exchange Act.

Section 3.06. Quorum and Adjournment or Recess, General Rule. A meeting of shareholders of the corporation duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person or by proxy of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on the particular matter shall constitute a quorum for the purposes of acting on such matter. The chairman of the meeting (as determined under Section 3.08) shall have the power to adjourn or recess the meeting.

Section 3.07. Action by Shareholders; Election and Resignation of Directors.

(a) Except as otherwise provided in the Business Corporation Law, the articles, or these bylaws, when a quorum is present at a meeting, the vote of shareholders present, in person or by proxy, entitled to cast at least a majority of the votes which all shareholders present and voting (excluding abstentions) are entitled to cast on a particular matter shall decide such matter.

(b) Subject to any rights of the holders of any class or series of stock to elect directors separately, each director shall be elected by a vote of the majority of the votes cast (excluding abstentions) with respect to that director at any meeting for the election of directors at which a quorum is present, in accordance with Section 3.06 of these bylaws; provided, that, if, at the close of the notice period set forth in Section 3.04 of these bylaws, the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the votes cast and entitled to vote on the election of directors in person or by proxy at any such meeting. For purposes of this Section 3.07(b), a vote of the majority of the votes cast means that the number of shares voted “for” a director must exceed 50% of the votes cast (excluding abstentions) with respect to that director.

(c) If an incumbent director is running uncontested and is not elected as provided in subsection (b), such director shall tender his or her resignation to the Board of Directors within ten business days following the certification of the election results. The Nominating and Governance Committee, or such other committee designated by the Board of Director, will recommend to the Board of Directors whether to accept or reject the resignation, or whether other action should be taken, as determined in accordance with the Corporation’s Corporate Governance Guidelines. The Board of Directors will act on the Committee’s recommendation and publicly disclose its decision and the rationale behind it within 120 days following the date of the certification of the election results. The director who tenders his or her resignation will not participate in either the Committee’s or the Board of Directors’ decision with respect to such resignation.

Section 3.08. Organization and Conduct. At every meeting of the shareholders, the chairman of the Board of Directors, if there be one, or, in the case of vacancy in office or absence of the chairman of the Board of Directors, one of the following persons present in the order stated: the Chief Executive Officer, the President, the vice presidents in their order of rank and seniority, or a person chosen by vote of the shareholders present, shall act as chairman of the meeting. The chairman of the meeting, consistent with any authority, direction, restriction or

limitation given to him or her by the Board of Directors, shall have any and all powers and authority necessary to conduct an orderly meeting, preserve order and determine any and all procedural matters, including the proper means of obtaining the floor, who shall have the right to address the meeting, the manner in which shareholders will be recognized to speak, imposing reasonable limits on the amount of time at the meeting taken up in remarks by any one shareholder or group of shareholders, the number of times a shareholder may address the meeting, and the person to whom questions should be addressed. The chairman shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the ability to cast a vote will be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies, or votes, nor any revocations or changes thereto, may be accepted. The Secretary or, in the absence of the Secretary, an Assistant Secretary shall act as Secretary of the meeting.

Section 3.09. Voting Rights of Shareholders. Unless otherwise provided in the articles, every shareholder of the corporation shall be entitled to one vote for every share outstanding in the name of the shareholder on the books of the corporation.

Section 3.10. Voting and Other Action by Proxy.

(a) General Rule.

(1) Every shareholder entitled to vote at a meeting of shareholders may authorize another person to act for the shareholder by proxy.

(2) The presence of, or vote or other action at a meeting of shareholders by a proxy of a shareholder shall constitute the presence of, or vote or action by the shareholder.

(b) Execution and Filing. Every proxy shall be executed in writing by the shareholder or by the duly authorized attorney-in-fact of the shareholder and filed with the Secretary of the corporation. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Secretary of the corporation. An unrevoked proxy shall not be valid after three years from the date of its execution unless a longer time is expressly provided therein.

Section 3.11. Voting by Fiduciaries and Pledgees. Shares of the corporation standing in the name of a trustee or other fiduciary and shares held by an assignee for the benefit of creditors or by a receiver may be voted by the trustee, fiduciary, assignee or receiver. A shareholder whose shares are pledged shall be entitled to vote the shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee, but nothing in this Section 3.11 shall affect the validity of a proxy given to a pledgee or nominee.

Section 3.12. Voting by Joint Holders of Shares, General Rule. Where shares of the corporation are held jointly or as tenants in common by two or more persons, as fiduciaries or otherwise:

(a) if only one or more of such persons is present in person or by proxy, all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum and the corporation shall accept as the vote of all the shares the vote cast by a joint owner or a majority of them; and

(b) if the persons are equally divided upon whether the shares held by them shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among the persons without prejudice to the rights of the joint owners or the beneficial owners thereof among themselves.

Section 3.13. Voting by Corporations.

(a) Voting by Corporate Shareholders. Any corporation that is a shareholder of this corporation may vote at meetings of shareholders of this corporation by any of its officers or agents, or by proxy appointed by any officer or agent, unless some other person, by resolution of the Board of Directors of the other corporation or a provision of its articles or bylaws, a copy of which resolution or provision certified to be correct by one of its officers has been filed with the Secretary of this corporation, is appointed its general or special proxy in which case that person shall be entitled to vote the shares.

(b) Controlled Shares. Shares of this corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the Board of Directors of this corporation, as such, shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares for voting purposes at any given time.

ARTICLE IV

Board of Directors

Section 4.01. Powers; Personal Liability.

(a) General Rule. Unless otherwise provided by statute, all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors.

(b) Personal Liability of Directors.

(1) A director shall not be personally liable, as such, for monetary damages (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expense of any nature (including, without limitation, attorneys' fees and disbursements)) for any action taken, or any failure to take any action, unless: (A) the director has breached or failed to perform the duties of his or her office under Subchapter 17B of the Business Corporation Law or any successor provision; and (B) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(2) The provisions of paragraph (1) shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, State or Federal law.

(c) Notation of Dissent. A director of the corporation who is present at a meeting of the Board of Directors, or of a committee of the Board of Directors, at which action on any corporate matter is taken on which the director is generally competent to act, shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files his or her written dissent to the action with the Secretary of the meeting before the adjournment or recess thereof or transmits the dissent in writing to the Secretary of the corporation immediately after the adjournment or recess of the meeting. The right to dissent shall not apply to a director who voted in favor of the action. Nothing in this Section 4.01 shall bar a director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the Secretary, in writing, of the asserted omission or inaccuracy.

Section 4.02. Selection of Directors. The number, qualifications, manner of election, time and place of meeting, compensation and powers and duties of the directors of the corporation shall be fixed from time to time by or pursuant to these bylaws and the articles. Nominations for the election of directors may be made only by the Board of Directors or a committee appointed by the Board of Directors or by any shareholder entitled to vote for the election of directors; but a nomination may be made by a shareholder only if written notice of such nomination has been given to the Secretary of the corporation in accordance with Section 3.04 hereof.

Section 4.03. Number and Term of Office.

(a) Number. The Board of Directors shall consist of such number of directors, not less than five nor more than 15, as may be determined from time to time by resolution of the Board of Directors.

(b) Term of Office. Each director shall hold office as provided in the articles.

Section 4.04. Place of Meetings. Meetings of the Board of Directors may be held at such place within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time appoint or as may be designated in the notice of the meeting.

Section 4.05. Organization of Meetings. At every meeting of the Board of Directors, the chairman of the Board of Directors, if there be one, or, in the case of a vacancy in the office or absence of the chairman of the Board of Directors, one of the directors present in their order of seniority, shall act as chairman of the meeting. The Secretary or, in the absence of the Secretary, an Assistant Secretary shall act as Secretary of the meeting.

Section 4.06. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors.

Section 4.07. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the chairman or by two or more of the directors.

Section 4.08. Quorum of and Action by Directors.

(a) General Rule. A majority of the directors in office of the corporation shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the Board of Directors.

(b) Action by Written Consent. Any action required or permitted to be approved at a meeting of the Board of Directors may be approved without a meeting if a consent or consents to the action in record form are signed, before, on or after the effective date of the action, by all of the directors in office on the date the first consent is signed. The consent or consents must be filed with the minutes of the proceedings of the Board of Directors.

Section 4.09. Committees.

(a) Establishment and Powers. The Board of Directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the corporation. With respect to each committee established by the Board of Directors, the Board of Directors shall, by one or more resolutions adopted by a majority of the directors of the Board of Directors, determine the duties and responsibilities, determine the number of members, appoint the members and the committee chair and fill each vacancy occurring in the membership.

Section 4.10. Compensation. The Board of Directors shall have the authority to fix the compensation of directors for their services as directors and a director may be a salaried officer of the corporation.

Section 4.11. Vacancies. Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority vote of the directors then in office, though less than a quorum, except as otherwise required by the Business Corporation Law.

ARTICLE V

Officers

Section 5.01. Officers Generally.

(a) Number, Qualifications and Designation. The officers of the corporation shall be a President and Chief Executive Officer, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of Section 5.03. Officers may but need not be directors or shareholders of the corporation.

(b) Bonding. The corporation may secure the fidelity of any or all of its officers by bond or otherwise.

(c) Standard of Care. In lieu of the standards of conduct otherwise provided by law, officers of the corporation shall be subject to the same standards of conduct, including standards of care and loyalty and rights of justifiable reliance, as shall at the time be applicable to

directors of the corporation. An officer of the corporation shall not be personally liable, as such, to the corporation or its shareholders for monetary damages (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expense of any nature (including, without limitation, attorneys' fees and disbursements)) for any action taken, or any failure to take any action, unless the officer has breached or failed to perform the duties of his or her office under the articles, these bylaws, or the applicable provisions of law and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this subsection shall not apply to the responsibility or liability of an officer pursuant to any criminal statute or for the payment of taxes pursuant to local, state or federal law.

Section 5.02. Election, Term of Office and Resignations.

(a) Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 5.03, shall be elected by the Board of Directors, and each such officer shall hold office until a successor has been selected and qualified or until his or her earlier death, resignation or removal.

(b) Resignations. Any officer may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as may be specified in the notice of resignation.

Section 5.03. Subordinate Officers, Committees and Agents. The Board of Directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require. The Board of Directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

Section 5.04. Removal of Officers and Agents. Any officer or agent of the corporation may be removed by the Board of Directors with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.05. Authority. General Rule. All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided by or pursuant to resolutions or orders of the Board of Directors or, in the absence of controlling provisions in the resolutions or orders of the Board of Directors, as may be determined by or pursuant to these bylaws.

Section 5.06. The Chairman of the Board of Directors. The Board of Directors may elect from among the members of the Board of Directors a chairman of the Board of Directors and a vice chairman of the Board of Directors. The chairman of the Board of Directors shall preside at all meetings of the Board of Directors at which he or she is present and shall call meetings of the Board of Directors and Board of Directors committees when he or she deems them necessary. Unless otherwise precluded from doing so by these bylaws, the chairman of the Board of Directors may be a member of the committees of the Board of Directors. The chairman of the Board of Directors shall act as chairman at all meetings of the shareholders at which he or

she is present unless he or she elects that the Chief Executive Officer shall so preside. The chairman of the Board of Directors may be designated by the Board of Directors as an officer of the corporation and may be elected by the Board of Directors as the Chief Executive Officer. The chairman of the Board of Directors shall perform all duties as may be assigned to him or her by the Board of Directors.

Section 5.07. The President and Chief Executive Officer. The President shall have such powers and duties as may, from time to time, be prescribed by the Board of Directors. Unless the Board of Directors shall otherwise direct, the President shall be the Chief Executive Officer of the corporation.

The Chief Executive Officer shall have general charge of the affairs of the corporation, subject to the control of the Board of Directors. The Chief Executive Officer may appoint all officers and employees of the corporation for whose election no other provision is made in these bylaws, and may discharge or remove any officer or employee, subject to action thereon by the Board of Directors as required by these bylaws. The Chief Executive Officer shall be the officer through whom the Board of Directors delegates authority to corporate management, and shall be responsible to see that all orders and resolutions of the Board of Directors are carried into effect by the proper officers or other persons. The Chief Executive Officer shall also perform all duties as may be assigned to him or her by the Board of Directors. The Chief Executive Officer shall sign, execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these bylaws, to some other officer or agent of the corporation.

Section 5.08. The Vice Presidents. The Vice Presidents shall perform such duties as may from time to time be assigned to them by the Board of Directors or the President.

Section 5.09. The Secretary. The Secretary or an Assistant Secretary shall attend all meetings of the shareholders and of the Board of Directors and all committees thereof and shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the Board of Directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board of Directors or the President.

Section 5.10. The Treasurer. The Treasurer or an Assistant Treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his or her custody as Treasurer in such banks or other places of deposit as the Board of Directors may from time to time designate; shall, whenever so required by the Board of Directors, render an account showing all transactions as Treasurer, and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board of Directors or the President.

ARTICLE VI

Certificates of Stock, Transfer, Etc.

Section 6.01. Share Certificates. Every holder of fully-paid stock in the corporation shall be entitled to a certificate or certificates, consecutively numbered, to be in such form as the Board of Directors may from time to time prescribe, and signed (in facsimile or otherwise, as permitted by law) by the President or one of the Vice Presidents or other officer designated by the Board of Directors, countersigned by the Secretary or Treasurer and sealed with the corporate seal of the corporation; and if such certificates of stock are signed or countersigned by a corporate transfer agent or a corporate registrar of this corporation, such signature of the President, Vice President or other officer, such counter-signature of the Secretary or Treasurer, and such seal, or any of them, may be executed in facsimile, engraved or printed.

Section 6.02. Share Register. The share register or transfer books and blank share certificates shall be kept by the Secretary or by any transfer agent or registrar designated by the Board of Directors for that purpose.

ARTICLE VII

Indemnification of Directors, Officers and Other Authorized Representatives

Section 7.01. Scope of Indemnification.

(a) General Rule. The corporation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

(1) where such indemnification is expressly prohibited by applicable law;

(2) until such time as the conduct of the indemnified representative has been finally determined pursuant to Section 7.06 or otherwise: (A) to constitute willful misconduct or recklessness within the meaning of 15 Pa. C. S. § 1746(b) or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or (B) to be based upon or attributable to the receipt by the indemnified representative from the corporation of a personal benefit to which the indemnified representative is not legally entitled; or (C) to the extent such indemnification has been finally determined in a final adjudication pursuant to Section 7.06 to be otherwise unlawful.

(b) Partial Payment. If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the corporation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) Presumption. The termination of a proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the indemnified representative is not entitled to indemnification.

(d) Definitions. For purposes of this Article VII:

(1) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a director, officer, employee or agent of the corporation, or, at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;

(2) "indemnified representative" means any and all directors and officers of the corporation and any other person designated as an indemnified representative by the Board of Directors of the corporation (which may, but need not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise);

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the corporation, a class of its security holders or otherwise.

Section 7.02. Proceedings Initiated by Indemnified Representatives. Notwithstanding any other provision of this Article VII, the corporation shall not indemnify under this Article VII an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office. This Section 7.02 does not apply to reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 7.06 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article VII.

Section 7.03. Advancing Expenses. The corporation shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 7.01 or the initiation of or participation in a proceeding which is authorized pursuant to Section 7.02 upon receipt of an

undertaking by or on behalf of the indemnified representative to repay the amount if it is ultimately determined pursuant to Section 7.06 that such person is not entitled to be indemnified by the corporation pursuant to this Article VII. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 7.04. Securing of Indemnification Obligations. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board of Directors shall deem appropriate. Absent fraud, the determination of the Board of Directors with respect to such amounts, costs, terms and conditions shall be conclusive against all security holders, officers and directors and shall not be subject to voidability.

Section 7.05. Payment of Indemnification. An indemnified representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the Secretary of the corporation.

Section 7.06. Arbitration.

(a) General Rule. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article VII, except with respect to indemnification for liabilities arising under the Securities Act of 1933 that the corporation has undertaken to submit to a court for adjudication, shall be decided by arbitration in Pittsburgh, Pennsylvania, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a single arbitrator selected by agreement of the parties. In the event that the parties cannot agree upon the selection of an arbitrator within ten days after arbitration is initiated, the parties agree that the American Arbitration Association in Pittsburgh, Pennsylvania will select the arbitrator.

(b) Arbitration Procedures. The arbitrator shall decide the dispute or controversy in accordance with the following procedures:

(1) Within ten days of the selection of an arbitrator, each party shall submit to the arbitrator its written position (the “Initial Submission”) provided that neither memorandum of position shall exceed ten pages, double spaced plus such documentary evidence as the parties deem necessary. In connection with the Initial Submission, neither of the parties may submit (and the arbitrator may not accept) any additional documentation (including affidavits).

(2) Within ten days of the delivery of the Initial Submission, each party may submit to the arbitrator a reply memorandum (the “Reply Submission”), provided that neither reply memorandum shall exceed five pages, double spaced. In connection with the Reply Submission, neither of the parties may submit (and the arbitrator may not accept) any additional documentation (including affidavits).

(3) Within ten days of the expiration of the period for the delivery of the Reply Submission, the arbitrator, if he or she deems it necessary or advisable, may call a hearing which may be by telephone conference (the "Hearing"). At any Hearing, the arbitrator may ask representatives and counsel for the parties questions with respect to the issue to be decided and positions of the parties. In connection with the Hearing, neither of the parties may offer (and the arbitrator may not accept) any testimony or additional documentation (including affidavits).

(4) Within seven days after the later to occur, if such is to occur, of (A) the Hearing or (B) the Reply Submission, the arbitrator shall render his or her decision.

(5) The arbitrator shall notify promptly the parties in writing of the decision, together with the amount of any dispute resolution costs arising with respect thereto (the "Notice of Decision"). The Notice of Decision need not contain an explanation of the decision or grounds therefor.

(6) The decision entered by the arbitrator shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the corporation shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified representative under Section 7.01(a)(2) in a proceeding not directly involving indemnification under this Article VII. This arbitration provision shall be specifically enforceable.

(c) Qualifications of Arbitrator. The arbitrator selected as provided herein is required to be or have been a director or executive officer of a corporation whose shares of common stock were listed during at least one year of such service on the New York Stock Exchange or the American Stock Exchange or quoted on the National Association of Securities Dealers Automated Quotations System.

(d) Burden of Proof. The party or parties challenging the right of an indemnified representative to the benefits of this Article VII shall have the burden of proof.

(e) Expenses. The corporation shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.

Section 7.07. Contribution. If the indemnification provided for in this Article VII or otherwise is unavailable for any reason in respect of any liability or portion thereof, the corporation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article VII or otherwise.

Section 7.08. Contract Rights; Amendment or Repeal. All rights under this Article VII shall be deemed a contract between the corporation and the indemnified representative pursuant to which the corporation and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 7.09. Scope of Article. The rights granted by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article VII shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 7.10. Reliance on Provisions. Each person who shall act as an indemnified representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification, contribution and advancement of expenses provided by this Article VII.

Section 7.11. Interpretation. The provisions of this Article VII are intended to constitute bylaws authorized by 15 Pa. C. S. § 1746.

ARTICLE VIII

Forum for Adjudicating Disputes

Section 8.01. Exclusive Forum. Unless the corporation consents in writing to the selection of an alternative forum, the state courts of the Commonwealth of Pennsylvania in and for Allegheny County or the federal courts of the Western District of Pennsylvania shall be the sole and exclusive forum, to the fullest extent permitted by law, for (a) any derivative action or proceeding brought on behalf of the corporation; (b) any action asserting a claim of a breach of fiduciary duty owed to the corporation or to the corporation's shareholders by any director, officer, or other employee of the corporation; (c) any action asserting a claim against the corporation, or against any director, officer, or other employee of the corporation, arising pursuant to any provision of the Pennsylvania Associations Code, 15 Pa. C. S., the articles, or these bylaws, in each case, as amended; (d) any action seeking to interpret, apply, enforce, or determine the validity of the articles or these bylaws; or (e) any action asserting a claim against the corporation, or any director, officer, or other employee of the corporation, governed by the internal affairs doctrine. If a court of competent jurisdiction finally determines that a shareholder has breached the provisions of this Section 8.01, then the corporation shall be entitled to recover its reasonable legal fees and costs in addition to any and all other rights and remedies that may exist at law or in equity.

Section 8.02. Submission to Jurisdiction. Without limiting the effect of 15 Pa. C. S. § 1505, any person or entity purchasing or otherwise acquiring any interest in shares of the corporation shall be deemed, to the fullest extent permitted by law, to be a "shareholder" and to have notice of and consented to the provisions of this Article VIII. Any shareholders who initiates an action or proceeding of the type described in parts (a) through (e) of Section 8.01 in a court other than a court specified in Section 8.01 (a "Foreign Action") shall be deemed to have consented to (i) the personal jurisdiction of the courts specified in Section 8.01 in an action or proceeding brought in any of those courts against the shareholder to enforce Section 8.01 (an "Enforcement Action") and (ii) having service of process in an Enforcement Action made upon the shareholder by United States mail addressed to the shareholder at the shareholder's address as it appears on the records of the corporation or upon the shareholder's counsel in the Foreign Action by United States mail addressed to such counsel.

ARTICLE IX

Miscellaneous

Section 9.01. Corporate Seal. The corporation shall have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the Board of Directors. The affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by the corporation of any instrument or other document.

Section 9.02. Checks. All checks, notes, bills of exchange or other similar orders in writing shall be signed by such one or more officers or employees of the corporation as the Board of Directors may from time to time designate.

Section 9.03. Contracts.

(a) General Rule. Except as otherwise provided in the Business Corporation Law in the case of transactions that require action by the shareholders, the Board of Directors may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

(b) Statutory Form of Execution of Instruments. Any note, mortgage, evidence of indebtedness, contract or other document, or any assignment or endorsement thereof, executed or entered into between the corporation and any other person, when signed by one or more officers or agents having actual or apparent authority to sign it, or by the President or Vice President and Secretary or Assistant Secretary or Treasurer or Assistant Treasurer of the corporation, shall be held to have been properly executed for and in behalf of the corporation, without prejudice to the rights of the corporation against any person who shall have executed the instrument in excess of his or her actual authority.

Section 9.04. Corporate Records.

(a) Required Records. The corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the incorporators, shareholders and directors and a share register giving the names and addresses of all shareholders and the number and class of shares held by each. The share register shall be kept at either the registered office of the corporation in the Commonwealth of Pennsylvania or at its principal place of business wherever situated or at the office of its registrar or transfer agent. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of Inspection. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a shareholder. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the shareholder. The demand shall be directed to the corporation at its registered office in the Commonwealth of Pennsylvania or at its principal place of business wherever situated.

Section 9.05. Severability; Provisions of Bylaws in Conflict with Law or Regulation. The provisions of these bylaws are severable, and if the Board of Directors determines, with the advice of counsel, that any one or more of the provisions contained herein are in conflict with any laws or regulations, then such conflicting provisions shall be deemed never to have constituted a part of these bylaws, and the Board of Directors shall cause these bylaws to be amended accordingly; provided, however, that this determination shall not affect or impact any of the remaining provisions of these bylaws or render invalid or improper any action taken or omitted (including, but not limited to, the election of the directors) prior to such determination. The Board of Directors shall not be liable for the failure to make any determination under this Section 9.05. If any provision of these bylaws shall be held invalid or unenforceable, the invalidity or unenforceability shall attach only to that provision and shall not in any manner affect or render invalid or unenforceable any other provision, and these bylaws shall be carried out as if the invalid or unenforceable provision was not present.

Section 9.06. Interpretation. To the fullest extent permitted by law, and except as otherwise provided in these bylaws, the Board of Directors shall have the power to interpret all of the terms and provisions of these bylaws, which interpretation shall be conclusive.

AGREEMENT AND GENERAL RELEASE

This Agreement and General Release ("Release") is entered into by and between **BRIAN H. McCURRIE** ("Mr. McCurrie") and **KOPPERS INC.** ("Koppers").

WHEREAS, Mr. McCurrie has been employed by Koppers since October 13, 2003, most recently as Senior Vice President, Business Development;

WHEREAS, Mr. McCurrie's employment with Koppers will terminate on July 25, 2014;

WHEREAS, as the result of the termination of his employment by Koppers, Mr. McCurrie is eligible for 114 weeks of his final base annual salary as severance pay under the terms of Section 8(c) of his Employment Agreement effective October 12, 2003, as thereafter amended (the "Agreement") provided that he signs a Release in a form acceptable to Koppers;

WHEREAS, Mr. McCurrie desires to sign this Release and receive such severance pay and other severance benefits as specified herein;

WHEREAS, Koppers and Mr. McCurrie wish also to resolve, finally and completely and with prejudice, and without judicial or administrative intervention, any and all other matters between them relating to Mr. McCurrie's employment with Koppers, the terms and conditions of that employment, and the termination of that employment; and

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and covenants set forth below, Mr. McCurrie and Koppers, each intending to be legally bound, agree as follows:

SECTION 1 — TERMINATION OF EMPLOYMENT

A. Termination of Employment: By his execution of this Release, Mr. McCurrie acknowledges that his employment with Koppers has been irrevocably terminated effective July 25, 2014.

B. Investment Savings Plan/Other Compensation or Benefit Plans: After July 25, 2014, Mr. McCurrie will cease to be eligible to make contributions, or receive contributions from Koppers, into the Employee Savings Plan of Koppers Inc. and Subsidiaries (the "401(k) Plan"), except that nothing in this Release affects Mr. McCurrie's eligibility to receive, upon the termination of his employment, the vested portion of his account balance under the 401(k) Plan in accordance with the terms of the 401(k) Plan. In addition, as of July 26, 2014, Mr. McCurrie will cease to be eligible to participate in all other compensation or benefit plans or programs sponsored by Koppers including, but not limited to, the Travel Accident Insurance Plan of Koppers Inc. for Regular Salaried Employees, the Koppers' Executive Long Term Disability Plan, and the Koppers' Salary Continuation Plan, except as otherwise specifically provided in this Release. Mr. McCurrie will also cease to be eligible, as of July 26, 2014, for the payment by, or reimbursement from, Koppers for any club dues in connection with his membership at St. Clair Country Club, the Duquesne Club and any other dinner or social clubs to which he belongs. Finally, Mr. McCurrie is not eligible to participate in either the Senior Management Corporate Incentive Plan, the Global CMC KVA Plan or any other applicable annual incentive plans for 2014 (collectively, the "2014 Annual Bonus Plans").

C. Long Term Incentive Plan: Pursuant to the terms of the Award Agreements under the Long Term Incentive Plan, all of Mr. McCurrie's outstanding unvested time-based and performance-based awards will be cancelled as of July 25, 2014. In addition, Mr. McCurrie's outstanding unvested stock options will be cancelled as of July 25, 2014. To the extent that Mr. McCurrie has outstanding vested stock options, the terms of such options shall continue to be governed by the provisions of the applicable Stock Option Award Agreement(s).

D. Retirement & SERP Plans: Mr. McCurrie's right to benefits under (i) the Retirement Plan of Koppers Inc. and Subsidiaries for Salaried Employees, as amended, (ii) the Koppers Inc. Supplemental Executive Retirement Plan I, as amended, and (iii) the Koppers Inc. Supplemental Executive Retirement Plan II, as amended, shall be determined solely by reference to the terms and conditions set forth in such plans and nothing contained herein is intended to or shall increase or decrease the benefits otherwise payable to Mr. McCurrie thereunder.

E. Benefit Restoration Plan: Mr. McCurrie's right to benefits under the Koppers Holdings Inc. Benefit Restoration Plan shall be determined solely by reference to the terms and conditions set forth therein and nothing contained herein is intended to or shall increase or decrease the benefits otherwise payable to Mr. McCurrie thereunder.

F. Vacation: Upon the termination of his employment with Koppers, Mr. McCurrie will be entitled to be paid for 33 days of unused current and accrued vacation as of July 25, 2014. Such payment shall be made in accordance with Koppers' applicable vacation and payroll policies.

G. Company Property: Before accepting any monetary payment from Koppers pursuant to Section 2 below, Mr. McCurrie promises to return to Koppers all files, memoranda, documents, records, electronic records, software, copies of the foregoing, credit cards, keys, cell phones, computers, iPads, and any other property of Koppers or any other Released Party in his possession.

SECTION 2 — SEVERANCE PAY

For purposes of this Release, the period from July 26, 2014, through September 30, 2016, will hereinafter be referred to as the "Severance Pay Period."

A. Severance Payment: During the Severance Pay Period and provided that Mr. McCurrie signs and does not revoke this Release, Mr. McCurrie shall receive from Koppers periodic severance payments equal to his regular monthly salary of Thirty Two Thousand Eight Hundred Fifty Dollars ($32,850.00), less standard deductions and tax withholdings required by law. Each monthly severance payment will be made by Koppers in two installments, consisting of a mid-month advance on the regular Koppers mid-month pay date and a final month-end payment on the regular Koppers month-end pay date. Koppers' total gross payment hereunder to Mr. McCurrie shall be eight hundred sixty-four thousand two hundred and eight dollars ($864,208), and Mr. McCurrie expressly acknowledges that said gross payment constitutes severance pay being paid to him in installments during the Severance Pay Period.

B. Benefits to Which Mr. McCurrie will be Eligible: During the Severance Pay Period, Mr. McCurrie and, as may be applicable, his spouse and other eligible dependents, will continue to be covered under all group health insurance benefits substantially similar to those that Mr. McCurrie was receiving immediately prior to the beginning of the Severance Pay Period, including without limitation the following plans of Koppers, provided that Mr. McCurrie elects to continue coverage and pays the employee share of premiums, where applicable, and provided, further, that such benefits shall be reduced to the extent Mr. McCurrie or his spouse or other eligible dependents receive comparable benefits as the result of Mr. McCurrie being covered under another employer's program of insurance benefits: (i) Comprehensive Medical Benefits Plan of Koppers Inc. for Salaried Employees; (ii) Dental Expense Plan for Salaried Employees of Koppers Inc.; and (iii) Vision Plan. Coverage under these plans shall cease and forever terminate on September 30, 2016, except as otherwise permitted by the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The date of the "qualifying event" for purposes of Mr. McCurrie electing, at his sole expense, continued health coverage under the Koppers sponsored health plan pursuant to the continuation coverage provisions of COBRA as the result of his termination shall be July 25, 2014. In addition, during the Severance Pay Period and until September 30, 2016, Mr. McCurrie will continue to be covered under all life, disability, and accident (other than travel accident) insurance benefits substantially similar to those that Mr. McCurrie was receiving immediately prior to the beginning of the Severance Pay Period, including without limitation the following insurance plans of Koppers, provided that Mr. McCurrie elects to continue coverage and pays the employee share of premiums, where applicable, and provided, further, that such benefits shall be reduced to the extent that Mr. McCurrie or his spouse or eligible dependents receive comparable benefits as the result of Mr. McCurrie being covered under another employer's program of insurance benefits: (i) Group Life Insurance Plan of Koppers Inc. for Salaried Employees; (ii) the Koppers' Executive Long Term Disability Plan; and (iii) the Koppers Accidental Death and Dismemberment Plan. Coverage under these plans shall cease and forever terminate on September 30, 2016. In addition, Mr. McCurrie may continue to participate in the Koppers Flexible Benefits Plan for the 2014 Plan year, after which his participation will cease and terminate. Mr. McCurrie understands and agrees that Koppers has the right to terminate, freeze, or otherwise amend any of the foregoing Plans whereupon Mr. McCurrie or his spouse or other eligible dependents shall have no greater right to benefits than other senior-management level participants (or their eligible spouses or dependents) in said Plans. Should Mr. McCurrie become covered by another employer-sponsored health or insurance plan at any time prior to the last scheduled severance payment he receives under paragraph A above, Mr. McCurrie agrees to notify Koppers in writing within 10 days of such event.

C. Indemnification/Directors and Officers Liability Insurance: Koppers' obligations to indemnify and defend Mr. McCurrie with respect to matters arising out of Mr. McCurrie's performance during his employment with Koppers shall continue after Mr. McCurrie's termination to the same extent that they existed prior to such termination. Koppers will, at all times, maintain in force and effect Directors and Officers Liability Insurance with respect to Mr. McCurrie' employment with Koppers.

D. Accrued Obligations: Within five days following the date of Mr. McCurrie's termination of employment with Koppers, Koppers shall pay Mr. McCurrie his full base salary earned through the date of such termination, plus all other amounts to which Mr. McCurrie is entitled under any incentive, bonus or other compensation plan of Koppers, at the time such payments are due.

E. Sufficiency of Consideration: Mr. McCurrie expressly acknowledges that, during the Severance Pay Period and otherwise, he shall not receive any payment or benefit from Koppers other than those specified above and that Koppers shall not be required to make any further payment or provide any further benefit to him or on his behalf, for any reason whatsoever, either during the Severance Pay Period or thereafter. Mr. McCurrie acknowledges and agrees that Koppers' undertakings are significantly and substantially in addition to those benefits to which Mr. McCurrie was or is otherwise entitled, and Mr. McCurrie acknowledges that these undertakings by Koppers are adequate consideration for all terms and covenants, including those in Section 4 below, contained in this Release.

Section 3 — Complete Release

A. In General: Mr. McCurrie agrees to irrevocably and unconditionally release any and all Claims he may now have against Koppers and the Released Parties as set forth in this Section 3.

B. Released Parties: The Released Parties are Koppers, Koppers Holdings Inc., and their related Koppers entities and, with respect to each of them, their predecessors and successors; all of their employees, officers, directors, agents, insurers, employee benefit plans, funds, programs, or arrangements providing pension, welfare, and fringe benefits; and their successors and/or assigns, jointly and individually.

C. Claims Released: Mr. McCurrie understands and agrees that he is releasing all known and unknown claims, promises, causes of action, or similar rights of any type that he may have (the "Claims") against any Released Party arising out of or in any way related to his employment with Koppers, the terms and conditions of his employment with Koppers, the termination of his employment with Koppers, and the continuing effects thereof. Mr. McCurrie further understands that the Claims he is releasing may arise under many different laws and under any possible legal, equitable, statutory, contractual, or tort theory, including, but by no means limited to:

1. Anti-discrimination statutes, such as all Claims under any federal, state, or local law, statute, ordinance, regulation, or executive order that prohibits employment discrimination, harassment, or retaliation based on religion, national origin, ancestry, marital status, sex, sexual orientation, age, race, color, handicap, disability, retaliation, or any other characteristic proscribed by law or activity protected by law, including but not limited to the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991, 42 U.S.C. §1981; the Equal Pay Act; the Americans with Disabilities Act; the Pennsylvania Human Relations Act; the Pittsburgh City Code, and any other federal, state, or local law, and any amendments thereto, that prohibits employment discrimination, harassment or retaliation of any kind.

2. Federal, state, and local employment statutes, such as all Claims under the Employee Retirement Income Security Act of 1974, which, among other things, protects employee benefits; all Claims under the Family and Medical Leave Act of 1993, which requires employers to provide leaves of absence under certain circumstances; and all Claims under any law that restricts an employer's right to terminate employees or otherwise regulates employment, including but not limited to whistleblower laws.

3. Tort and Contract Claims, such as all Claims of wrongful or constructive discharge, physical or personal injury, emotional distress, fraud, fraud in the inducement, negligent misrepresentation, defamation, invasion of privacy, interference with contract or with prospective economic advantage, breach of express or implied contract, and breach of covenants of good faith and fair dealing; and all similar or related Claims.

4. Other examples of released Claims, include, but are not limited to all Claims for compensation, bonuses, cash awards, lost wages, vacation pay or sick pay; all Claims for short-term or long-term disability benefits; all Claims for severance or separation pay or benefits under the Koppers Inc. Severance Pay Plan for Salaried Employees or otherwise; and all Claims for attorneys' fees or other indemnities.

Mr. McCurrie understands that he is releasing Claims that he may not know about. It is his knowing and voluntary intent to release such Claims, even though he recognizes that someday he might learn that some or all of the facts he currently believes to be true are untrue and even though he might then regret having signed this Release. Nevertheless, Mr. McCurrie is assuming that risk and agrees that this Release shall remain effective in all respects in any such case. Mr. McCurrie expressly waives all rights he might have under any law that is intended to protect him from waiving unknown claims and he understands the significance of doing so. Mr. McCurrie also covenants that, to his knowledge, he has not sustained any work-related injury during his employment at Koppers.

D. Rights Not Released: Mr. McCurrie does not waive, nor shall this Release be construed to waive, any right which is not subject to waiver as a matter of law, or any right which arises after the Effective Date of this Release.

SECTION 4 — MR. MCCURRIE'S PROMISES

A. Pursuit of Released Claims: Mr. McCurrie represents that he has not filed or caused to be filed, and agrees that he will not file or cause to be filed, any lawsuit of any kind arising out of or relating to his employment with Koppers, the terms and conditions of that employment, or the termination of his employment. This Release does not prohibit Mr. McCurrie from filing an administrative charge of alleged employment discrimination, harassment, or retaliation under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, or the Equal Pay Act of 1963; however, Mr. McCurrie represents that he has not to date filed or caused to be filed any such administrative charge and, further, agrees that he hereby waives any right to monetary or other recovery should any federal, state, or local administrative agency pursue any claim on his behalf. This means that by signing this Release, Mr. McCurrie has waived any right he had to obtain a recovery if an administrative agency pursues a

claim against Koppers or any of the Released Parties based on any action taken by Koppers or any of the Released Parties up to the Effective Date of this Release and that he will have released Koppers and the Released Parties of any and all claims, and the continuing effects of any and all claims, of any nature arising up to the Effective Date of this Release.

B. Non-admission of Liability: Mr. McCurrie agrees that Koppers' entry into this Release is not to be construed as, and is not, an admission that Koppers violated any of its duties or obligations to him or treated him improperly, unlawfully, or unfairly in any manner whatsoever. Neither this Release nor the implementation thereof shall be construed to be, or shall be admissible in any proceedings as, evidence of an admission by Koppers of any violation of or failure to comply with any federal, state, or local law, common law, agreement, rule, regulation, or order.

C. Non-Disparagement: Mr. McCurrie agrees not to make any disparaging statements about Koppers or any Released Party to any of Koppers' past, present or future customers, employees, clients, contractors, suppliers, or to the media or to any other person either orally or by any other medium of communication, including Internet communication. Koppers agrees that no officer or director of Koppers shall make any disparaging statements about Mr. McCurrie to any of Koppers' past, present or future customers, employees, clients, contractors, suppliers, or to the media or to any other person either orally or by any other medium of communication, including Internet communication. As used herein, the term "disparaging statement" means any communication, oral or written, which would cause or tend to cause humiliation or embarrassment or to cause a recipient of such communication to question the business condition, integrity, products, services, quality, confidence or good character of Mr. McCurrie, Koppers or any Released Party.

D. Covenants in Agreement: Mr. McCurrie hereby reaffirms his obligations to comply in all respects with the covenants and agreements set forth in Section 6 of the Agreement, and that such covenants and agreements survive the termination of the Agreement and his employment. Mr. McCurrie acknowledges and agrees that such covenants were entered into in order to induce Koppers to employ him and that his employment by Koppers was full and sufficient consideration to him for such covenants. He agrees further that the severance payments and benefits provided hereunder serve as additional consideration to support such covenants. NOTHING CONTAINED IN THIS PARAGRAPH OR IN THIS AGREEMENT IS INTENDED OR SHALL BE CONSTRUED TO MODIFY IN ANY RESPECT THE FORFEITURE PROVISIONS SET FORTH IN THE KOPPERS INC. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN I OR II, AS AMENDED.

SECTION 5 — REVIEW AND REVOCATION

A. Review: Mr. McCurrie acknowledges and agrees that his waiver of rights under this Release is knowing and voluntary and complies in full with all criteria set forth under the Pennsylvania Human Relations Act, and further complies in full with all criteria set forth in the regulations promulgated under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, and any and all federal, state, and local laws, regulations, and orders. ***Mr. McCurrie expressly warrants that he is advised hereby in writing of his right to consult with an attorney prior to executing this Release.*** Mr. McCurrie further expressly

warrants that he has had the opportunity to consult with, and to be advised by, an attorney before executing this Release to help him fully understand and appreciate its legal effect. Mr. McCurrie acknowledges that he has been afforded the opportunity to consider this Release up to and including August 18, 2014, which is a period of over 21 days. Mr. McCurrie may decide to sign this Release prior to the expiration of the aforesaid period; however, it may not be signed by him prior to the day (July 26, 2014) after his last day of employment with Koppers. Mr. McCurrie agrees, pursuant to 29 C.F.R. Section 1625.22(e)(4), that any changes made to this Release after the date he receives it and before the date he signs it, are immaterial and will not restart the running of the statutory period in which to consider this Release.

B. Delivery: Mr. McCurrie shall cause the delivery of the executed Counterparts of this Release to be made by August 18, 2014, to Koppers Inc., Attention: Steven R. Lacy, 436 Seventh Avenue, Pittsburgh, PA 15219. This Release shall be void and of no effect if the signed Counterparts are not delivered to Mr. Lacy at the aforesaid address by August 18, 2014. This Release shall also be void and of no effect if the Counterparts are signed by Mr. McCurrie prior to July 26, 2014, and delivered to Mr. Lacy prior to July 26, 2014.

C. Revocation: Mr. McCurrie shall have a period of seven (7) days following his execution of this Release to revoke it, and this Release shall not be effective or enforceable prior to the expiration of that period. Revocation can be made by delivering a written notice to Koppers Inc., Attention: Steven R. Lacy, 436 Seventh Avenue, Pittsburgh, PA 15219 (at fax # 412-227-2333). The revocation of this Release by Mr. McCurrie will automatically revoke the terms described in Section 2 above. If Mr. McCurrie does not advise Koppers in writing that he revokes this Release within seven days of his execution of it, this Release shall be forever enforceable. The eighth day following Mr. McCurrie's execution of this Release shall be deemed the Effective Date of this Release.

SECTION 6 — MISCELLANEOUS

A. Entire Agreement: Mr. McCurrie understands and agrees that the terms and conditions of this Release constitute the full and complete understandings, agreements, and promises between him and Koppers with respect to all matters covered by this Release, that the terms and conditions of this Release cancel and supersede any prior understandings or agreements that may have been between Mr. McCurrie and Koppers with respect to all matters covered by this Release except as otherwise provided herein, and that no other promise or inducement has been offered to him except as set forth herein. For the avoidance of doubt, Mr. McCurrie understands and agrees that this Release supersedes the Agreement, except for the covenants and agreements set forth in Section 6 of the Agreement, which are incorporated herein by reference.

B. Amendment: This Release may not be amended, modified, waived, or cancelled except by a writing signed by each party hereto. No waiver of any provision of this Release shall be effective as against the waiving party unless such waiver is in writing and signed by the waiving party.

C. Severability/Interpretation: If any term, condition, clause, or provision of this Release shall be determined by a court of competent jurisdiction to be void or invalid at law, or for any other reason, then only that term, condition, clause, or provision, as is determined to be void or invalid,

shall be stricken from this Release, and this Release shall remain in full force and effect in all other respects. This Release shall be governed by the statutes and common law of the Commonwealth of Pennsylvania.

D. Compliance with Section 409A: It is the intent of the parties that the severance benefits provided under Section 2 shall, to the maximum extent possible, qualify for the short term deferral exception, the separation pay plan exception or other applicable exception under Section 409A of the Internal Revenue Code of 1986, as amended, including the applicable regulations ("Section 409A"), so that none of the payments and benefits will result in adverse tax consequences, including tax penalties under Section 409A. Any ambiguities in the Release will be interpreted to comply with this intent. Each severance benefit and each installment of a severance payment or benefit shall be deemed a separate payment under this Release. Each payment under this Release is intended to be treated as one of a series of separate payments for purposes of Section 409A. The severance payments due to Mr. McCurrie under Section 2.A. of this Release are payable to him under Section 8(c) of the Agreement, which payments were only due upon an involuntary termination within the meaning of Section 409A. If Mr. McCurrie would be entitled to a payment during the six month period beginning on the effective date of his termination that is not otherwise excluded under Section 409A under the exception for short-term deferrals, separation pay arrangements, reimbursements, in-kind distributions, or any otherwise applicable exemption, the payment will not be made to Mr. McCurrie until the earlier of the six month anniversary of the effective date of his termination or his death and will be accumulated and paid on the first day of the seventh month following the effective date of termination. Notwithstanding any provision of this Release to the contrary, in no event shall the timing of Mr. McCurrie's execution of this Release, directly or indirectly, result in Mr. McCurrie designating the calendar year of payment, and if a payment under this Release is payable within 60 days after the date of termination and is considered deferred compensation under Section 409A, the payment shall be made on the 60th day after the date of termination. Notwithstanding the foregoing, if any provision of this Release needs to be revised or if any correction needs to be undertaken in order to satisfy the requirements of Section 409A, then such provision shall be modified or restricted or such correction shall be undertaken by Koppers to the extent and in the manner necessary to be in compliance with all applicable requirements of the Internal Revenue Code, provided that any such modification or correction shall be undertaken in a manner that maintains the same economic results as those intended under the Agreement and this Release.

E. Successors: This Release binds Mr. McCurrie, his heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

F. Counterparts: This Release may be signed in two counterparts, each of which shall be deemed an original when signed and shall constitute the same instrument. Koppers shall retain Counterpart No. 1 of this Release and Mr. McCurrie shall retain Counterpart No. 2 of this Release.

Mr. McCurrie acknowledges that he has carefully read the foregoing Release, that he understands completely its contents, that he understands the significance and consequence of signing it, and that he intends to be legally bound by its terms. Mr. McCurrie further acknowledges that he has had a reasonable and sufficient period of time within which to consider this Release and that he has had the opportunity to review this Release with counsel. Mr. McCurrie swears that he has agreed to and signed this Release voluntarily and as his own free will, act, and deed, and for full and sufficient consideration.

IN WITNESS WHEREOF, BRIAN H. McCURRIE and **KOPPERS INC.** have executed this Confidential Agreement and General Release on the dates set forth below.

/s/ Brian H. McCurrie
BRIAN H. McCURRIE

Date: 7/29/14

KOPPERS INC.

By: /s/ Steven R. Lacy

Title: Senior Vice President, Administration, General Counsel and Secretary

Date: 7/29/14

KOPPERS INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN II

Amended and Restated as of

August 6, 2014

TABLE OF CONTENTS

TABLE OF CONTENTS

KOPPERS INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN II

PREAMBLE

Koppers Inc. (the "Company") recognizes that the Internal Revenue Service limitations on compensation that may be taken into account for purposes of determining retirement benefits under a retirement plan qualified under Section 401(a) of the Internal Revenue Code may prevent some key employees from realizing sufficient benefits from the Company's qualified retirement plan. The purpose of the Koppers Inc. Supplemental Executive Retirement Plan II (formerly named the Koppers Industries, Inc. Supplemental Executive Retirement Plan II) is to acknowledge and reward certain key employees of the Company for their efforts on behalf of the Company by providing additional post employment income to such key employees in order to facilitate their attainment of adequate levels of retirement income.

ARTICLE I
GENERAL

Section 1.1 Effective Date; Grandfathered Benefits. The original effective date of the Plan was December 1, 1997 and the Plan was subsequently amended and restated, effective as of January 1, 2009. The Plan as amended and restated as of such date applies only to a Participant's Retirement Benefit that accrued on or after January 1, 2005, or Retirement Benefit that accrued prior to that date but was not fully vested on December 31, 2004. The Plan preceding such amendment and restatement applies to any Retirement Benefit that accrued and was vested prior to January 1, 2005 ("Grandfathered Benefits"); provided that any increase in the value of any subsidy with respect to Grandfathered Benefits payable upon retirement prior to the Retirement Plan's Normal Retirement Date that accrues or increases as the result of service after December 31, 2004, shall not be treated as Grandfathered Benefits. The rights, if any, of any person whose status as an employee of an Employer has terminated shall be determined pursuant to the Plan as in effect on the date such employee terminated, unless a subsequently adopted provision of the Plan is made specifically applicable to such person. Notwithstanding the foregoing, the Plan is hereby restated to clarify the intended meaning of the Plan's early retirement date definition and early retirement benefit provisions, with such clarification being effective as of the Plan's original effective date.

Section 1.2 Intent. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, as such group is described under Section 201(2), 301(a)(3), and 401(a)(1) of ERISA. Benefits provided under this Plan shall be funded solely from the general assets of the Employer and no participant or beneficiary hereunder shall have any interest or right to such assets.

ARTICLE II
DEFINITIONS AND USAGE

Section 2.1 Definitions. Wherever used in the Plan, the following words and phrases shall have the meaning set forth below unless the context plainly requires a different meaning:

"*Actuarial Equivalent*" means a benefit having the same actuarial value as the benefit it replaces, determined using the same assumptions and methods as are used for determining an actuarial equivalent benefit under the Retirement Plan.

"*Accumulated Service*" means Accumulated Service as defined in the Retirement Plan.

"*Administrator*" means the Pension Committee appointed by the Board, or such other person or persons as designated by the Board.

"*Board*" means the Board of Directors of the Company.

"*Change in Control*" means a change in the ownership or control of the Company, as defined in Section 6.1.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time. Any reference to a particular Code section shall include any provision which modifies, replaces or supersedes it.

"*Company*" means Koppers Inc and any successor entity, and any entity that acquires ownership or control of Koppers Inc. or any successor entity.

"*Disability*" or "*Disabled*" means a physical or mental condition of a Participant resulting from a bodily injury, disease, or mental disorder which renders him incapable of continuing in the employment of the Employer. Such Disability shall be determined by the Administrator, in its sole and complete discretion, based upon appropriate medical advice and examination, and taking into account the ability of the Participant to continue in his or her same or similar, position with the Employer.

"*Early Retirement Date*" means the date on which a Participant retires from employment with the Employer after becoming eligible for an early retirement benefit under the Salaried Plan thereunder by reason of having (1) reached the age of 55 and completed 10 years of Accumulated Service, or (2) in the case of a Participant who has been Involuntarily Terminated on or after January 1, 1998 (other than a Participant who has ceased to be an active employee performing his or her normal job function but who is accruing benefits pursuant to a severance arrangement or employment contract with the Company), completed 30 years of Accumulated Service.

"*Employer*" means the Company and any other entity related to the Company in a manner described in Sections 414(b), (c), (m) or (o) of the Code.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time. Any reference to a particular ERISA section shall include any provision which modifies, replaces, or supersedes it.

"*Final Average Pay*" means, with respect to any Participant, the sum of the following amounts: (i) the highest monthly base salary (excluding bonuses and other variable payments) paid in his or her last sixty (60) calendar months of full-time employment with the Employer multiplied by twelve (12); provided, however, that if a Participant has fewer than sixty (60) calendar months of full-time employment with the Employer, there shall be used in this clause the average of his or her regular base salary (excluding bonuses and other variable payments) during all of his or her calendar months of full-time employment with the Employer; plus (ii) the average incentive payment made for the last five (5) years of employment.

"*Involuntarily Terminated*" means any termination of a Participant's employment with an Employer by reason of the discharge, firing or other involuntary termination of the Participant's employment by action of such Employer, other than a Termination for Cause (as determined in good faith by the Administrator).

"*Normal Form*" means the normal form of distribution of the Participant's Retirement Plan Benefit (i.e., a single life annuity for an unmarried Participant or a joint and 50% survivor annuity for a married Participant).

"*Normal Retirement Age*" means the age 65, or such other age that is defined from time to time as the normal retirement age under the Retirement Plan.

"*Normal Retirement Date*" means the date on which a Participant attains the Normal Retirement Age.

"*Participant*" means an eligible employee of an Employer who is participating in the Plan in accordance with Section 3.2.

"*Plan*" means the Koppers Inc. Supplemental Executive Retirement Plan II, as set forth herein and as it may be amended from time to time.

"*Plan Year*" means the calendar year.

"*Qualified Plan*" means the Retirement Plan and any other defined benefit pension plan(s) (within the meaning of Section 414(j) of the Code) intended to be qualified under Section 401(a) of the Code adopted and maintained by the Employer that provides benefits to Participants in this Plan.

"*Qualified Plan Benefit*" means the annuity annual equivalent benefit, expressed in the form of the annuity payable to a Participant under Section 5.1 hereof, that can be derived from the Qualified Plan. The determination of such annuity annual equivalent benefit shall be made using the mortality table that is in effect at such time for the Retirement Plan, an interest rate

equal to the interest rate used under FAS 87 for the Retirement Plan for the previous year, and a commencement age under the Qualified Plan that is the same age at which the Retirement Benefit is to commence hereunder, in accordance with procedures established by the Administrator.

"*Retirement Benefit*" means the benefit payable under this Plan, as determined under Article IV.

"*Retirement Plan*" means the Retirement Plan for Koppers Inc., as subsequently amended and restated from time to time hereafter.

"*Retirement Plan Benefit*" means the benefit payable to a Participant under the Retirement Plan.

"*Separation from Service*" means a Participant's separation from service with the Employer within the meaning of Section 409A of the Code. A Separation from Service occurs when the facts and circumstances indicate that the Employer and the Participant reasonably anticipate that no further services would be performed after a certain date or that the level of services the Participant would perform after such date would permanently decrease to no more than 20% of the average level of services performed over the immediately preceding 36-month period (or, if shorter, the entire period of the Participant's employment with the Employer).

"*Social Security Benefit*" means the annual benefit payable under the Social Security Act at the Participant's Social Security Retirement Age, relating to Old-Age and Disability benefits, determined under the provisions of the Social Security Act in effect on the date of a Participant's Separation from Service. The Social Security Benefit will be calculated assuming that a Participant will not receive any future income that would be treated as wages for purposes of such Act, except that in the case of any deferred vested Retirement Benefit payable under Section 4.3, the Social Security Benefit will be calculated assuming that the Participant will receive the maximum amount of future income that would be treated as wages for purposes of the Social Security Act from the date of his or her Separation from Service until the Social Security Retirement Age.

"*Social Security Normal Retirement Age*" means the age used as the retirement age under Section 216(1) of the Social Security Act, as amended.

"*Specified Employee*" has the meaning set forth in Section 1.409A-1(i) of the Treasury Regulations issued under Section 409A of the Code.

"*Termination for Cause*" means the termination of a Participant's employment due to (a) the willful and continued failure by the Participant to substantially perform his or her duties of employment (other than any such failure resulting from incapacity due to physical or mental illness) or any such actual or anticipated failure after the issuance of a notice of termination, after a written demand for substantial performance is delivered to the Participant by the Board, which demand specifically identifies the manner in which the Board believes that the Participant has not substantially performed his or her duties, and the Participant is given a reasonable

opportunity to remedy such identified failure to perform, or (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Employer, monetarily or otherwise. For purposes of this definition, no act or failure to act, shall be deemed "willful" unless done, or omitted to be done, not in good faith and without reasonable belief that such action or omission was in the best interest of the Employer.

Notwithstanding the foregoing, a Participant shall not be considered to have been terminated for cause unless there is delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice to the Participant and an opportunity for the Participant, with legal counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Participant was engaged in the type of conduct set forth above in this definition, which specifies particular details and examples of such conduct.

"*Years of Service*" means the total number of years of "credited service" (as defined in the Retirement Plan) credited to a Participant under the Retirement Plan. In no event shall more than thirty-five (35) years be credited to any Participant, regardless of his or her actual period of service with the Employer or the number of years of credited service accumulated by the Participant under the Retirement Plan. At the discretion of the Administrator, Participants may be granted additional Years of Service that relate to employment with another employer for purposes of determining Retirement Benefits under this Plan, upon such terms and conditions as the Administrator may require (which conditions may include, but not be limited to, completion of a period of future service with the Employer and reducing the Participant's Retirement Benefit hereunder by the pension benefits provided by such other employer).

Section 2.2 Usage. Except where otherwise indicated by the context, any masculine terminology used herein shall also include the feminine and vice versa, and the definition of any term herein in the singular shall also include the plural and vice versa.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

Section 3.1 Eligibility. An employee of an Employer shall be eligible to participate in the Plan if he or she is (i) an elected corporate officer of the Employer and agrees to enter into a non-compete, non-solicitation confidentiality agreement or (ii) a senior manager of the Employer who has been selected for participation in this Plan and agrees to enter into a non-compete, non-solicitation confidentiality agreement and who is participating in the Retirement Plan; provided, however, that any such employee shall be eligible to participate only to the extent, and for the period, that he or she is a member of a select group of management or highly compensated employees, as such group is described under Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Board shall make all determinations of eligibility in its sole and absolute discretion.

Section 3.2 Participation. An employee who is eligible to participate in the Plan pursuant to Section 3.1 as an elected corporate officer of the Employer and who is participating in the Retirement Plan shall automatically become a Participant upon election to such office and the execution of a non-compete, non-solicitation confidentiality agreement. Each other employee who is eligible to participate in the Plan pursuant to Section 3.1 shall become a Participant at such time and for the period as he or she is designated as eligible by the Board or, if no such period is specified, until his or her participation ceases in accordance with the terms of the Plan.

Section 3.3 Plan Frozen. Notwithstanding the foregoing, no employee shall become eligible to participate in this Plan after December 31, 2006, and the Retirement Benefit of any Participant in the Plan as of December 31, 2006, was frozen on such date and will not thereafter increase.

ARTICLE IV
RETIREMENT BENEFITS

Section 4.1 Normal Retirement Benefit.

(a) *Eligibility and Commencement*. Subject to Section 4.6(b), a Participant who retires from employment with the Employer on or after his or her Normal Retirement Date shall receive a Retirement Benefit, determined in accordance with Section 4.1(b), which shall commence to be paid after the Participant's retirement from the Employer becomes effective. The time and form of payment of the Retirement Benefit shall be determined in accordance with Section 5.1.

(b) *Amount*. The Retirement Benefit for a Participant who retires on or after his or her Normal Retirement Date shall be an annual amount, payable in the form specified under Section 5.1 that is equal to the following:

(1) The product of the following amounts:

(A) two percent (2%) of such Participant's Final Average Pay multiplied by

(B) his or her Years of Service (not in excess of thirty-five (35) years);

(2) Reduced by the following amounts:

(A) the Qualified Plan Benefit;

(B) the annuity annual equivalent benefit, expressed in the form of the annuity payable to a Participant under Section 5.1 hereof, payable under any other nonqualified retirement plan maintained by the Employer or Koppers Company, determined using the mortality table specified in the Retirement Plan, an interest rate equal to the interest rate used under FAS 87 for the Retirement Plan for the previous year, and a commence age that is the same age at which the Retirement Benefit is to commence hereunder, in accordance with procedures established by the Administrator;

(C) the annuity annual equivalent benefit, expressed in the form of the annuity payable to a Participant under Section 5.1 hereof, of the value of Company stock held in the Participant's account in the Employee Savings Plan of Koppers Industries, Inc. and Subsidiaries, and any successor plan, that is attributable to Employer contributions contributed to such plan since 1995, determined using the mortality table specified in the Retirement Plan, an interest rate equal to the interest rate used under FAS 87 year end disclosures for the Retirement Plan for the previous year

and a commencement age that is the same age at which the Retirement Benefit is to commence hereunder, in accordance with procedures established by the Administrator. For this purpose, the account balance will be projected to the Participant's actual retirement date (or Normal Retirement Date, in the case of a deferred vested Retirement Benefit payable under Section 4.3) at an assumed rate of appreciation of nine percent (9%) per year; and

(D) Fifty percent (50%) of the Social Security Benefit; provided, however, that this reduction shall not apply until a Participant reaches his or her Social Security Normal Retirement Age.

Section 4.2 Early Retirement Benefit.

(a) *Eligibility and Commencement*. Subject to Section 4.6(b), a Participant who retires on or after his or her Early Retirement Date, but before his or her Normal Retirement Date, shall receive a Retirement Benefit, determined in accordance with Section 4.2(b), which shall commence to be paid after the Participant's retirement from the Employer becomes effective. The time and form of payment of the Retirement Benefit shall be determined in accordance with Section 5.1.

(b) *Amount*. The Retirement Benefit payable to a Participant who retires on or after his or her Early Retirement Date, but before his or her Normal Retirement Date, shall be an amount determined in accordance with the following, and subject to reduction for payment before the Participant's Normal Retirement Date, as provided below:

(1) *Age 60 / 10 Years*. A Participant who retires at sixty (60) or more years of age, but before his or her Normal Retirement Date, and who has ten (10) or more Years of Service, shall receive a Retirement Benefit, determined in accordance with Section 4.1(b), which shall commence to be paid immediately, without any reduction for payment beginning before his or her or her Normal Retirement Age.

(2) *Age 55 / 10 Years of Service*. A Participant who retires at fifty-five (55) or more years of age but less than sixty (60) years of age, and who has ten (10) or more Years of Service, shall receive a Retirement Benefit, determined in accordance with Section 4.1(b), which shall commence to be paid immediately; provided, however, that the Retirement Benefit shall be reduced by three percent (3.0%) per year for each year by which payment commences before the Participant reaches age 60.

(3) *Involuntary Termination and 30 Years of Service*. A Participant whose employment is Involuntarily Terminated and who has thirty (30) or more Years of Service, shall receive a Retirement Benefit, determined in accordance with Section 4.1(b), which shall commence to be paid immediately; provided, however, that the Retirement Benefit shall be reduced by three percent (3.0%) per year for each year by which payment commences before the Participant reaches age 60.

Section 4.3 Termination of Employment. Except as provided in Section 4.2(b)(3) if a Participant incurs a Separation from Service with the Employer for reasons other than Termination for Cause after satisfying the vesting requirement under Section 4.6(a), but before the attainment of his or her Early Retirement Date or Normal Retirement Date, he shall receive a Retirement Benefit, determined under Section 4.1(b) as of his or her Normal Retirement Date, but such benefit shall be calculated by using his or her Final Average Pay and Years of Service as of the effective date of his or her Separation from Service. Notwithstanding satisfaction of the vesting requirements in Section 4.6(a), no Retirement Benefit shall be payable hereunder if a Participant incurs an event causing forfeiture of such benefits under Section 4.6(b). A Participant shall receive payment of his or her Retirement Benefit in a single lump sum within 60 days after his or her Separation from Service if the present value of the Participant's Retirement Benefit does not exceed $5,000, determined in accordance with the assumptions and procedures established by the Administrator.

Section 4.4 Disability. If a Participant becomes Disabled while in the employment of the Employer after satisfying the vesting requirement under Section 4.6(a), but before the attainment of his or her Early Retirement Date or Normal Retirement Date, he or his or her beneficiary or beneficiaries shall receive a Retirement Benefit upon attaining his or her Normal Retirement Date, determined under Section 4.1(b), but such Retirement Benefit shall be calculated using the Participant's Final Average Pay and Years of Service as of the effective date of his or her Disability and the actual Social Security Benefit that he or she eventually receives. The Board may in its discretion provide that the amount of such Retirement Benefit shall be enhanced by taking into account additional Years of Service which are reasonably expected to have occurred absent the Participant's Disability. Notwithstanding satisfaction of the vesting requirements in Section 4.6(a), no Retirement Benefit shall be payable hereunder if a Participant incurs an event causing forfeiture of such benefits under Section 4.6(b).

Section 4.5 Death. If a Participant with five (5) or more Years of Service dies while in the employment of the Employer, his or her beneficiary or beneficiaries shall be entitled to, and shall receive, payment of the Participant's Retirement Benefit, payable unreduced as soon as practicable following the Participant's death.

Section 4.6 Vesting and Forfeiture of Retirement Benefit.

(a) *Vested Benefits*. Except as provided in subsection (b) below, a Participant who is in the active employ of an Employer shall have a vested right to his or her Retirement Benefit upon the occurrence of any of the following:

(1) his or her completion of five (5) Years of Service, which includes any Years of Service prior to the effective date of the Plan described in Section 1.1 hereof;

(2) the attainment of his or her Normal Retirement Age; or

(3) the occurrence of a Change in Control at any time.

(b) *Forfeiture*. Notwithstanding subsection (a), upon the occurrence of any of the following, a Participant's Retirement Benefit hereunder shall be forfeited, and no such benefit shall be payable hereunder:

(1) his or her Termination for Cause;

(2) his or her breach of any non-compete, non-solicitation confidentiality agreement with the Company; (The terms of the non-compete, non-solicitation, confidentiality agreement will become null and void if the Participant's employment is Involuntarily Terminated by reason of layoff.)

(3) without the consent of the Chief Executive Officer of the Company, his or her becoming, directly or indirectly, involved, whether alone or as a partner, joint venturer, franchisee, franchiser, officer, director, employee, independent contractor, employer, agent, shareholder or other owner or operative in any other business that competes with the Employer;

(4) his or her directly or indirectly, soliciting or inducing or attempting to solicit or induce, any employee of Employer to leave Employer for any reason whatsoever or hire any employee of Employer;

(5) without the consent of the Chief Executive Officer of the Company, his or her directly or indirectly soliciting the trade of or trade with, or otherwise doing business with any client of Employer so as to offer or sell any product or services that would be competitive with any products or services sold by Employer during the term of Employee's employment or any products or services which Employee knows are being developed by Employer during the term of his or her employment; or

(6) his or her directly or indirectly taking any action which might divert from Employer any opportunity that is within the scope of any present or contemplated future business of Employer during the term of Participant's employment or any opportunities that Participant knows are being developed by Employer during the term of his or her employment.

The payment of any Retirement Benefit that has commenced shall be discontinued immediately, and any future payments shall be forfeited, upon the occurrence of any of the events described in subsections (2) through (6) above.

ARTICLE V
PAYMENT OF RETIREMENT BENEFITS

Section 5.1 Distribution of Retirement Benefits. Except as otherwise elected in accordance with the provisions of this Section 5.1, a Participant's Retirement Benefit shall be payable as follows:

(a) *Retirement*

(1) Normal Retirement. A Participant's Retirement Benefit shall commence in the Normal Form as of the first day of the month following the Participant's Separation from Service on or after the Participant's Normal Retirement Date or, if the Participant is a Specified Employee on the date of his or her Separation from Service, as of the first day of the sixth month following the month in which his Separation from Service occurs, unless the Participant elects to receive his or her Retirement Benefit in an optional form of payment in accordance with the provisions set forth in Section 5.1(c) and/or commencing on a different date in accordance with the timing rule set forth in Section 5.1(d).

(2) Early Retirement. A Participant's Retirement Benefit shall commence in the Normal Form as of the first day of the month following the Participant's Separation from Service on or after the Participant's Early Retirement Date, but prior to the Participant's Normal Retirement Date or, if the Participant is a Specified Employee on the date of his or her Separation from Service, as of the first day of the sixth month following the month in which his or her Separation from Service occurs, unless the Participant elects to receive his or her Retirement Benefit in an optional form of payment in accordance with the provisions set forth in Section 5.1(c) and/or commencing on a different date in accordance with the timing rule set forth in Section 5.1(d).

(b) *Termination of Employment*. In the case of a Participant who incurs a Separation from Service for reasons other than Termination for Cause prior to his or her Early Retirement Date or Normal Retirement Date, his Retirement Benefit shall commence in the Normal Form as of the first day of the month following the Participant's Normal Retirement Date, unless the Participant elects to receive his Retirement Benefit in an optional form of payment in accordance with the provisions set forth in Section 5.1(c) and/or commencing on a different date in accordance with the timing rule set forth in Section 5.1(d); provided that a Participant shall receive payment currently in a single lump sum if the present value of such payment does not exceed $5,000 (determined in accordance with assumptions and procedures established by the Administrator). Notwithstanding the foregoing, if the Participant is a Specified Employee on the date of his or her Separation from Service, payment shall commence as of the first day of the sixth month following the month in which his or her Separation from Service occurs, if later than the date determined above.

(c) *Change in Form of Payment*. A Participant may elect, at any time during the 180-day period prior to the date on which benefits would commence under Section 5.1(a) or Section 5.1(b), as applicable (or prior to any later commencement date elected under Section 5.1(d)) to receive one of the following forms of payment in lieu of the Normal Form:

(1) A Retirement Benefit payable for the Participant's life, with no Retirement Benefit payable after his death.

(2) A reduced Retirement Benefit payable during the Participant's life with the provision that after his death 50%, 75% or 100% of the amount payable during the Participant's life shall be paid during the life of and to the person nominated by him as his beneficiary by written designation, filed with the Committee, when he elected this option, if such person survives him.

(3) A reduced Retirement Benefit payable for the Participant's life and a period certain of 5 years as he shall have selected in writing at the time he elects this option; provided, that such period certain shall not extend beyond the joint and last survivor expectancy of the Participant and his beneficiary.

In each case, the optional form so elected shall be the Actuarial Equivalent of the Normal Form. In addition, if the Participant is married on the date of benefit commencement, his choice of any form of payment other than the Normal Form or an optional form under (2) above with his spouse as beneficiary shall be valid only if he obtains his spouse's written consent in a manner comparable to the analogous consent requirements applicable under the Retirement Plan.

(d) *Change in Timing*. A Participant may elect to defer the commencement date of his or her Retirement Benefit to a date later than the date specified under Section 5.1(a) or Section 5.1(b), as applicable, provided that such deferral of commencement shall only be effective if (i) the election is made not less than 12 months before the date the Participant's Retirement Benefit would otherwise commence, and (ii) payment will commence under the new election no earlier than the 5th anniversary of the date any payment would otherwise have been made under Section 5.1(a) or Section 5.1(b), as applicable. Only one such deferral election shall be permitted under this Plan for each Participant.

Section 5.2 Designation of Beneficiary. A Participant may, by written instruction delivered to the Administrator during the Participant's lifetime, designate one or more primary and contingent beneficiaries to receive the Retirement Benefit which may be payable hereunder following the Participant's death, and may designate the proportions in which such beneficiaries are to receive such payments. A Participant may change such designations from time to time, and the last written designation filed with the Administrator prior to the Participant's death shall control. If a Participant fails to specifically designate a beneficiary, or if no designated beneficiary survives the Participant, payment shall be made by the Administrator to the Participant's surviving spouse, or if none, to the Participant's children, or if none, to the Participant's estate.

ARTICLE VI
CHANGE IN CONTROL

Section 6.1 "Change in Control" Defined. For purposes of this Section, a "Change in Control" shall be deemed to have occurred upon the first to occur of the following events:

(a) any person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with the stock held by such person or group, represents more than thirty-five (35%) percent of the total fair market value or total voting power of the stock of the Company ("Change in Ownership"); or

(b) during any twelve-month period, a majority of the Company's Board is replaced by new directors whose appointment or election is not endorsed by a majority of the Company's Board prior to the date of the new directors' appointment or election ("Change in Effective Control"); or

(c) during any twelve-month period, any one person, or more than one person acting as a group, acquires assets from the Company having a total fair market value equal to or more than one-third (1/3) of the total fair market value of all of the assets of the Company immediately prior to such acquisition(s) ("Change in Ownership of Substantial Assets"); notwithstanding the preceding, a Change in Ownership of Substantial Assets does not occur when assets are transferred to (a) a shareholder in exchange for stock; (b) an entity that is at least fifty (50%) percent owned, directly or indirectly, by the Company; (c) a person, or more than one person acting as a group, that owns at least fifty (50%) percent of the total value or voting power of the stock of the Company; or, (d) an entity that is at least fifty (50%) percent owned by a person, or more than one person acting as a group, that owns at least fifty (50%) percent of the total value or voting power of the stock of the Company; or,

(d) the Company's termination of its business and liquidation of its assets; or,

(e) the reorganization, merger or consolidation of the Company into or with another person or entity, by which reorganization, merger or consolidation the shareholders of the Company receive less than fifty (50%) percent of the outstanding voting shares of the new or continuing corporation.

For purposes of the preceding Change in Ownership, Change in Effective Control and Change in Ownership of Substantial Assets, persons are considered to be acting as a group when such persons are owners of an entity that enters into a merger, consolidation, purchase or acquisition of stock, or a similar business transaction with the Company. Persons are not considered to be acting as a group merely because such persons happen to purchase or own stock of the Company at the same time or as a result of the same public offering.

Section 6.2 Vesting Upon Change in Control. Each Participant shall become fully vested in his or her Retirement Benefit in the event that there is a Change in Control.

ARTICLE VII
ADMINISTRATION

Section 7.1 General. Except as otherwise specifically provided in the Plan, the Administrator shall be responsible for administration of the Plan. The Administrator shall be the "named fiduciary" within the meaning of Section 402(c)(2) of ERISA.

Section 7.2 Administrative Rules. The Administrator may adopt such rules of procedure as it deems desirable for the conduct of its affairs, except to the extent that such rules conflict with the provisions of the Plan.

Section 7.3 Duties. The Administrator shall have the following rights, powers and duties:

(a) The decision of the Administrator in matters within its jurisdiction shall be final, binding and conclusive upon the Employers and upon any person affected by such decision subject to the claims procedure hereinafter set forth.

(b) The Administrator shall have the duty and authority to interpret and construe the provisions of the Plan, to determine eligibility for Retirement Benefits and the appropriate amount of any Retirement Benefits, to decide any question which may arise regarding the rights of employees and to exercise such powers as the Administrator may deem necessary for the administration of the Plan, and to exercise any other rights, powers or privileges granted to the Administrator by the terms of the Plan.

(c) The Administrator shall maintain full and complete records of its decisions. Its records shall contain all relevant data pertaining to the Participant and his or her rights and duties under the Plan. The Administrator shall have the duty to maintain Account records of all Participants.

(d) The Administrator shall cause the principal provisions of the Plan to be communicated to the Participants, and a copy of the Plan and other documents shall be available at the principal office of the Employers for inspection by the Participants at reasonable times determined by the Administrator.

(e) The Administrator shall periodically report to the Board with respect to the status of the Plan.

Section 7.4 Fees. No fee or compensation shall be paid to any person for services as the Administrator.

ARTICLE VIII
CLAIMS PROCEDURE

Section 8.1 General. Any claim for Retirement Benefits under the Plan shall be filed by the Participant or beneficiary ("claimant") in the manner prescribed by the Administrator.

Section 8.2 Denials. If a claim for Retirement Benefits under the Plan is wholly or partially denied, notice of the decision shall be furnished to the claimant by the Administrator within a reasonable period of time, but not more than 90 days after receipt of the claim by the Administrator, unless special circumstances require further time for processing and the claimant is advised of the extension before the expiration of the initial 90-day period. In no event shall notice of the decision be given more than 180 days after the receipt of the claim.

Section 8.3 Notice. Any claimant who is denied a claim for Retirement Benefits shall be furnished written notice setting forth:

(a) the specific reason or reasons for the denial;

(b) specific reference to the pertinent provision of the Plan upon which the denial is based;

(c) a description of any additional material or information necessary of the claimant to perfect the claim; and

(d) an explanation of the claim review procedure under the Plan.

Section 8.4 Appeals Procedure. In order that a claimant may appeal a denial of a claim, the claimant or the claimant's duly authorized representative may:

(a) request a review by written application to the Administrator, or its designate, no later than 60 days after receipt by the claimant of written notification of denial of a claim;

(b) review pertinent documents; and

(c) submit issues and comments in writing.

Section 8.5 Review. A decision on review of a denied claim shall be made not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing and the claimant is notified of the extension prior to the expiration of the initial 60-day period, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred and twenty (120) days after receipt of the request for a review. The decision on review shall be in writing and shall include the specific reason(s) for the decision and the specific reference(s) to the pertinent provisions of the Plan on which the decision is based.

Section 8.6 Arbitration of Disputes. Notwithstanding any provision to the contrary, any dispute arising under this Plan, including without limitation, a dispute involving a claim for

benefits, a dispute arising as a result of a Termination for Cause (as defined in Section 2.1), or a dispute arising as a result of a forfeiture of Plan benefits pursuant to Section 4.6(b), shall be resolved by binding arbitration.

All arbitration shall be determined in accordance with the rules of the American Arbitration Association then in effect, by a single arbitrator if the parties shall agree upon one, or by three arbitrators, one appointed by each party and a third arbitrator appointed by the two arbitrators selected by the parties. All arbitrators shall be selected from a panel proposed by the American Arbitration Association. If any party fails to appoint an arbitrator within thirty (30) days after it is notified to do so, the arbitration shall be accomplished by a single arbitrator. Each party agrees to comply with any award made in any such proceeding and to the entry of a judgment in any jurisdiction upon any award rendered in such proceeding. The decision of the arbitrators shall be tendered within sixty (60) days of final submission of the parties in writing or any hearing before the arbitrators and shall include their individual votes. If a Participant is entitled to an award pursuant to the determination reached in the arbitration proceeding which is equal to or greater to the amount, if any, offered by Employer prior to or during arbitration, the Participant shall be entitled to payment by the Employer of all attorneys' fees, costs and other out-of-pocket expenses incurred in connection with the arbitration.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1 Amendment and Termination. The Company retains the sole and unilateral right to terminate, amend, modify, or supplement this Plan, in whole or in part, at any time (including retroactive amendments); provided that no such change shall reduce a Participant's Retirement Benefit as of the date of such change. In the event of the termination of the Plan or any portion thereof, payment of affected Participants' Retirement Benefits shall be made under and in accordance with the terms of the Plan and any applicable elections, except that the Company may determine, in its sole discretion, to accelerate payments to all such affected Participants if and to the extent that such acceleration is permitted under Section 409A of the Code.

Section 9.2 No Assignment. The Participant shall not have the power to pledge, transfer, assign, anticipate, mortgage or otherwise encumber or dispose of in advance any interest in amounts payable hereunder of any of the payments provided for herein, nor shall any interest in amounts payable hereunder or in any payments be subject to seizure for payments of any debts, judgments, alimony or separate maintenance, or be reached or transferred by operation of law in the event of bankruptcy, insolvency or otherwise.

Section 9.3 Successors and Assigns. The provisions of the Plan are binding upon and inure to the Retirement Benefit of each Employer, its successors and assigns, and the Participant, his or her beneficiaries, heirs and legal representatives.

Section 9.4 Governing Law. The Plan shall be subject to and construed in accordance with the laws of the Commonwealth of Pennsylvania to the extent not preempted by the provisions of ERISA.

Section 9.5 No Guarantee of Employment. Nothing contained in the Plan shall be construed as a contract of employment or deemed to give any Participant the right to be retained in the employ of an Employer or any equity or other interest in the assets, business or affairs of an Employer. No Participant hereunder shall have a security interest in assets of an Employer used to make contributions or pay Retirement Benefits.

Section 9.6 Severability. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, but the Plan shall be construed and enforced as if such illegal or invalid provision had never been included herein.

Section 9.7 Notification of Addresses. Each Participant and each beneficiary shall file with the Administrator, from time to time, in writing, the post office address of the Participant, the post office address of each beneficiary, and each change of post office address. Any communication, statement or notice addressed to the last post office address filed with the Administrator (or if no such address was filed with the Administrator, then to the last post office address of the Participant or beneficiary as shown on the Employer's records) shall be binding on the Participant and each beneficiary for all purposes of the Plan and neither the Administrator nor the Employer shall be obliged to search for or ascertain the whereabouts of any Participant or beneficiary.

Section 9.8 Bonding. The Administrator and all agents and advisors employed by it shall not be required to be bonded, except as otherwise required by ERISA.

Section 9.9 Taxes. The Company shall have the right to withhold from any cash or other amounts due or to become due from the Company to a Participant (including by reducing the amount of any Retirement Benefit payable in the future) the amount of any federal, state and local taxes required to be withheld or otherwise deducted and paid by the Company with respect to the vesting or payment of any Retirement Benefit hereunder.

Section 9.10 Compliance with Section 409A. The Plan is intended to comply with the applicable requirements of Section 409A of the Code, and will be administered in accordance with Section 409A of the Code to the extent that Section 409A of the Code applies to the Plan. Notwithstanding any provision in the Plan to the contrary, distributions from the Plan may only be made in a manner, and upon an event, permitted by Section 409A of the Code. If any payment or benefit cannot be provided or made at the time specified herein without incurring penalties under Section 409A of the Code, then such benefit or payment will be provided in full at the earliest time thereafter when such penalties will not be imposed. To the extent that any provision of the Plan would cause a conflict with the applicable requirements of Section 409A of the Code or would cause the administration of the Plan to fail to satisfy the applicable requirements of Section 409A of the Code, such provision shall be deemed null and void to the extent permitted by applicable law.

ARTICLE X
FUNDING

Section 10.1 Employer Liability. The entire cost of this Plan shall be paid from the general assets of the Employer. No liability for the payment of Retirement Benefits under the Plan shall be imposed upon any officer, trustee, employee, or agent of an Employer.

Section 10.2 Unfunded Plan. Notwithstanding the remaining sections in this Article, the Plan, at all times, shall be entirely unfunded and shall constitute merely the unsecured promise of the Employer to make the payments as provided for herein. No Participant nor any beneficiary nor any other person shall have, by reason of this Plan, any rights, title or interest of any kind in or to any property of the Employer, all of which shall be subject to the claims of general creditors of the Employer, nor any beneficial interest in any trust which may be established by the Employer in connection with this Plan nor any guarantee that assets of the Employer will be sufficient to pay Retirement Benefits under the Plan. If the Employer transfers any property to a trust in connection with this Plan such trust shall not be held for the exclusive benefit of Participants and any assets held in such trust shall be subject to the claims of the Employer's general creditors in the event of the Employer's insolvency.

Section 10.3 Trust. A trust may be established by the execution of a Trust Agreement with one or more trustees, to be known as the Koppers Inc. Supplemental Executive Retirement Trust (the "Trust"). If a Trust is established, the following provisions shall be applicable:

(a) The Trust shall be maintained as a "grantor trust" under Section 677 of the Code, with the assets of the Trust being held, invested and disposed of by the trustee, in accordance with the terms of the Trust, for the exclusive purpose of providing Retirement Benefits for Participants. Notwithstanding any provision of the Plan or the Trust to the contrary, all assets held in the Trust shall at all times be subject to the claims of the Employer's general creditors in the event of insolvency or bankruptcy.

(b) The Employer, in its sole discretion, and from time to time, may make contributions to the Trust. All Retirement Benefits under the Plan and expenses chargeable to the Plan, to the extent not paid directly by the Employer, shall be paid from the Trust.

(c) The powers, duties and responsibilities of the trustee shall be as set forth in the Trust Agreement and nothing contained in the Plan, either expressly or by implication, shall impose any additional powers, duties or responsibilities upon the trustee.

(d) The Employer shall have no beneficial interest in the Trust and no part of the Trust shall ever revert or be repaid to the Employer, directly or indirectly, except as otherwise provided in subsection (a) above or in the Trust Agreement.

EXECUTION

The undersigned, pursuant to the approval of the Board, does herewith execute this Koppers Inc. Supplemental Executive Retirement Plan II, effective as of the effective date of the amended and restated Plan specified in Section 1.1 hereof.

Koppers Inc.

By: _____

Title: _____

CONFIDENTIAL

PNC Bank, National Association
Three PNC Plaza
225 Fifth Avenue, 4th Floor
Pittsburgh, Pennsylvania 15222

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222

April 13, 2014

$800,000,000
Senior Credit Facilities
Commitment Letter

Koppers Inc.
436 Seventh Avenue
Pittsburgh, PA 15219
Attention: Louann E. Tronsberg-Deihle

Ladies and Gentlemen:

Koppers Inc., a Pennsylvania corporation (the "**Borrower**", the "**Company**", "**you**" or "**your**") has advised PNC Capital Markets LLC ("**PNC Capital Markets**" or "**Arranger**") and PNC Bank, National Association ("**PNC Bank**") (collectively, "**us**" or "**we**") that it intends to acquire two affiliated target companies you have identified to us as Project Orchid (the "**Targets**") and consummate the other transactions described in the Summary of Terms and Conditions attached hereto as Exhibit A (the "**Term Sheet**"). Capitalized terms used herein but not defined herein have the meanings assigned to them in the Term Sheet.

In connection with the foregoing, you have requested that the Arranger agree to structure, arrange and syndicate the senior credit facilities as described in the Term Sheet in an aggregate amount of $800 million. You have also requested that PNC Bank commit to provide the Credit Facilities in their entirety and serve as administrative agent for the Credit Facilities.

1. Commitments; Titles and Roles.

PNC Bank is pleased to advise you of its commitment to provide $800 million of the Credit Facilities (the "**Commitment**"). The Commitment is provided on (i) the terms and subject to the conditions set forth in this letter (this letter and the Term Sheet (including all Annexes thereto) are hereinafter collectively, the "**Commitment Letter**"), the Administrative Agent's Fee Letter dated as of the date hereof, by and among PNC Capital Markets, PNC Bank and the Borrower (the "**Administrative Agent's Fee Letter**") and the Joint Lead Arrangers' Fee Letter dated as of the date hereof, by and among PNC Capital Markets, PNC Bank and the Borrower (the "**Joint Lead Arrangers' Fee Letter**") (the Administrative Agent's Fee Letter and the Joint Lead Arrangers' Fee Letter are collectively, the "**Fee Letter**s") (the Commitment Letter and the Fee Letters are hereinafter collectively referred to as the "**Debt Financing Letters**") and (ii) subject only to the conditions expressly set forth in Section 4 of this Commitment Letter and

the other conditions referred to on Annex 3 to Exhibit A to this Commitment Letter. Notwithstanding anything to the contrary in the Debt Financing Letters, the terms of this Commitment Letter are intended as an outline of certain of the material provisions of the Credit Facilities, but do not include all of the terms, covenants, representations, warranties, default clauses and other provisions that will be contained in the definitive documents related to the Credit Facilities, which shall be prepared by our counsel (collectively, the "**Credit Documentation**"); provided that there shall be no closing condition to the Credit Facilities contained in the Credit Documentation that is not specifically set forth in Section 4 hereof or on Annex 3 to Exhibit A to this Commitment Letter. Those matters that are not covered or made clear in the Debt Financing Letters are subject to the mutual agreement of the parties hereto. No party hereto has been authorized by us to make any oral or written statements or representations that are inconsistent with the Debt Financing Letters.

PNC Capital Markets is pleased to inform you that it is willing to act as lead arranger and sole bookrunner, and PNC Bank is pleased to inform you that it is willing to act as the administrative agent (the "**Administrative Agent**") for the Credit Facilities. The Arranger and the Administrative Agent will, in such capacities, perform the duties and exercise the authority customarily performed and exercised by them in such roles. It is understood and agreed that with respect to the Credit Facilities, PNC Capital Markets shall be afforded "top left" placement (and will hold the role and responsibilities conventionally understood to be associated with such name placement) in any marketing materials. It is further understood that there will be additional agents, co-agents, arrangers or bookrunners and that the joint lead arrangers shall be mutually agreed to by PNC Capital Markets and the Company. No additional agents, co-agents, arrangers or bookrunners will be appointed, no other titles conferred nor compensation paid (other than that expressly contemplated by the Debt Financing Letters) without the consent of the Arranger; provided that you may, on or prior to the date which is 15 business days after the date of your acceptance of this Commitment Letter, appoint one or more financial institutions (each, an "**Additional Commitment Party**" and collectively, the "**Additional Commitment Parties**") to serve as joint lead arrangers and joint bookrunners for the Credit Facilities, and award such Additional Commitment Party, additional agent or co-agent titles in a manner and with economics set forth in the immediately succeeding proviso (it being understood that, notwithstanding anything in this Commitment Letter to the contrary, our commitments in respect of the Credit Facilities will be permanently reduced by the amount of the commitments of the Additional Commitment Parties (or their relevant affiliates) in respect of each of the Credit Facilities, upon the execution by such Additional Commitment Party (and any relevant affiliate) of customary joinder documentation and, thereafter such Additional Commitment Party (and/or any relevant affiliate) shall constitute a "Commitment Party" and a "Lender" hereunder); provided, further, that (y) each Additional Commitment Party (or its relevant affiliates) shall provide commitments ratably across the Credit Facilities, and (z) the aggregate economics payable to such Additional Commitment Party (or any relevant affiliate thereof) in respect of the Credit Facilities shall be proportionate to the commitment of such Additional Commitment Party (or any relevant affiliate thereof) in respect of the Credit Facilities.

2. Syndication.

The Arranger intends to commence syndication of the Credit Facilities promptly upon your acceptance of the terms of this letter and until the earlier to occur of: (i) Successful Syndication (as defined in the Joint Lead Arrangers' Fee Letter) and (ii) the date that is 90 days after the Closing Date (as defined herein). You agree, and will exercise your rights under Section 6.12 of the Acquisition Agreement (as defined in the Term Sheet) to cause each Target to use its commercially reasonable efforts to actively assist the Arranger in completing a Successful Syndication. Such assistance shall include but not be limited to

(a) you providing and causing your advisors, if applicable, and using commercially reasonable efforts to cause each Target to provide, the Arranger, its third party consultants, and the Lenders upon request with all information reasonably deemed necessary by the Administrative Agent and Arranger to complete a Successful Syndication, including, but not limited to, information and projections prepared by you relating to the Transactions contemplated hereby (including Projections (as hereinafter defined)),

(b) your assistance in preparing, a confidential information memorandum for the Credit Facilities (the "**Memorandum**") and other materials to be used in connection with the syndication of the Credit Facilities (collectively with the Term Sheet and the Projections, the "**Information Materials**"),

(c) you otherwise assisting the Arranger in its syndication efforts, including by making your senior officers and advisors, and using commercially reasonable efforts to make officers of each Target, available from time to time to attend and make presentations regarding the business and prospects of the Borrower, at one or more meetings of prospective Lenders (as mutually agreed with respect to the number and timing of such meetings),

(d) prior to and during the syndication of the Credit Facilities there shall be no competing offering, placement or arrangement of any debt securities or bank financing by or on behalf of Holdings and/or its subsidiaries, other than a 144a Bond Private Placement (the "**144a Placement**"),

(e) using your commercially reasonable efforts to obtain, prior to the commencement of the Marketing Period (as hereinafter defined), (a) a monitored public corporate rating for the Acquirer from Standard and Poor's Ratings Services, a division of McGraw-Hill Companies, Inc. ("**S&P**"), and (b) a monitored public corporate family rating for Holdings from Moody's Investor Service, Inc. ("**Moodys**"), and

(f) subject to applicable confidentiality restrictions and attorney-client privileged documents, the provision to us of copies of any due diligence reports or memoranda

prepared at your direction or at the direction of any of your affiliates by legal, accounting, tax or other third party advisors in connection with the Acquisition, subject to the delivery by us to you of customary non-disclosure agreements as shall be reasonably requested.

Without limiting your obligations to assist with syndication efforts as set forth in this paragraph, we agree that completion of a syndication is not a condition to our commitment hereunder and we further agree that we will not be released from our commitment hereunder in connection with such a syndication to any Lender unless (A) any such Lender has entered into a joinder with respect to this letter in accordance with Section 1 hereof or (B) such Lender shall have entered into or joined the Credit Documentation and funded the portion of the Credit Facilities required to be funded by it on the date of the initial borrowing under the Credit Facilities (the "**Closing Date**").

PNC Capital Markets will manage, in consultation with you, all aspects of the syndication, including decisions as to the selection of institutions to be approached and when they will be approached, when the Lenders' commitments will be accepted, which Lenders will participate and the allocation of the commitments among the Lenders (subject to your prior consent) and the amount and distribution of fees among the Lenders.

3. Information Requirements.

You represent and warrant that: (i) all written information (other than financial projections referred to in clause (ii) below) that has been or will hereafter be made available to any of PNC Capital Markets, PNC Bank or any potential Lender by the Borrower or any representatives in connection with the transactions contemplated hereby (and, with respect to information regarding the Targets, to your actual knowledge based solely on information provided to you by or on behalf of each Target), when taken as a whole, including any supplements, is and, when furnished, will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of circumstances under which the statements were made (after giving effect to all supplements thereto); and (ii) all financial projections concerning Holdings and its subsidiaries and, to your actual knowledge, the Targets, that have been or will be prepared by Holdings (the "**Projections**") and made available to any of PNC Capital Markets, PNC Bank, or any potential Lender have been or will be prepared in good faith based upon reasonable assumptions at the time of delivery thereof. It is recognized by PNC Bank, the Arranger and the Lenders that such Projections are not to be viewed as facts, and that actual results during the period or periods covered by any such Projections may differ from projected results, and such differences may be material. You agree to furnish us with supplemental information from time to time until the Closing Date, and, if requested by us, for a reasonable period thereafter as is necessary to complete the syndication of the Credit Facilities so that the representations and warranties in this paragraph remain correct on the Closing Date as if the Information Materials were being

furnished, and such representation and warranty was being made, on such date. In issuing this commitment and in arranging and syndicating the Credit Facilities, we are using and relying on the Information Materials without independent verification thereof.

Before distribution of any Information Materials to any other Lender, you agree to execute and deliver to us a letter in which you authorize distribution of the Information Materials to a prospective Lender's employees ("**Private-Siders**") willing to receive material, non-public information (within the meaning of the United States Federal securities laws) with respect to you and your affiliates ("**MNPI**"). Such letter shall also state that the Information Materials are complete and correct in all material respects and do not contain any untrue statements of a material fact, or omit to state any matter necessary to make the Information Materials, in light of the circumstances in which made, not materially misleading (after giving effect to all supplements thereto); provided, the Borrower may state that all financial projections have been prepared in good faith based upon reasonable assumptions and any information relating to the Targets and their respective subsidiaries will be limited to your actual knowledge.

You agree that the following documents may be distributed to Private-Siders: (w) the Term Sheet, (x) administrative materials prepared by the Arranger for prospective Lenders (such as Lender meeting invitations, Lender allocations and funding and closing memoranda), (y) notification of changes in the terms of the Credit Facilities and (z) other materials intended for prospective Lenders after the initial distribution of the Information Materials. You hereby authorize us to distribute drafts of the Credit Documentation to Private-Siders.

You acknowledge that the Arranger on your behalf will make the Memorandum and Information Materials available to the proposed syndicate of Lenders by posting the Memorandum and Information Materials on SyndTrak, the internet or similar electronic transmission systems.

Until the completion of the Successful Syndication of the Credit Facilities, the Borrower agrees that, except as contemplated in the Commitment Letter, neither it nor any of its subsidiaries shall enter into any other credit facilities or issue any indebtedness for borrowed money whether syndicated, publicly or privately placed, except as permitted by the Acquisition Agreement or except as mutually and reasonably agreed by the Borrower and the Arranger, if such facility or issue might, in the Arranger's reasonable judgment, have material a detrimental effect on such Successful Syndication.

4. Conditions to Financing.

Subject to the Limited Conditionality Provision (as defined below), the closing of the Credit Facilities, and the making of the initial loans and other extensions of credit under the Credit Facilities on the Closing Date are conditioned solely upon satisfaction or waiver by us of each of the following conditions (a) subject to the Due Authorization Limitation Provision, the negotiation, execution and delivery of the Credit Documentation in form mutually and

reasonably satisfactory to the Borrower, the Arranger and PNC Bank, which shall be consistent with the Term Sheet and the Fee Letters and to reflect the consummation of the Acquirer's acquisition of the Targets or as otherwise mutually and reasonably agreed, (b) since the date of the Acquisition Agreement, there has not been a Company Material Adverse Effect (as hereinafter defined), (c) the accuracy in all material respects (or, if qualified by materiality, in all respects) of (x) the Specified Acquisition Agreement Representations (as hereinafter defined), and (y) the Specified Representations (as defined below) and (d) the other conditions specifically referred to on Annex 3 to Exhibit A to this Commitment Letter.

For purposes hereof, "**Company Material Adverse Effect**" means a "Material Adverse Effect" as defined in and determined pursuant to the Acquisition Agreement.

The Arranger shall have been afforded a period (the "**Marketing Period**") of no more than 15 consecutive business days prior to the Closing Date commencing on the date of receipt of the Required Bank Information (as hereinafter defined); provided, that the Marketing Period shall exclude the days from and including July 3, 2014 to and including July 6, 2014 (the "**Black Out Period**") (it being understood that any day that occurs in the Black Out Period after the commencement of the Marketing Period shall be disregarded for purposes of calculating the consecutive business days constituting the Marketing Period but, for the avoidance of doubt, shall not stop the consecutive nature of the other days both before and after the Black Out Period). "**Required Bank Information**" shall mean the audited financial statements of the Targets for the fiscal year ended December 31, 2013 specifically required to be delivered on or prior to the Closing Date by the Borrower to the Arranger under clause (c) of Annex 3 to Exhibit A to this Commitment Letter. If the Borrower shall in good faith reasonably believe it has delivered the Required Bank Information, it may deliver to the Arranger notice to that effect (stating when it believes it completed such delivery), in which case the Required Bank Information shall be deemed to have been delivered on the date set forth in the applicable notice as the date the Borrower believes such Required Bank Information was delivered unless the Arranger in good faith reasonably believes that the Borrower has not completed delivery of the Required Bank Information and, within two (2) business days after its receipt of such notice from the Borrower, the Arranger delivers a written notice to the Borrower to that effect (stating with specificity the Required Bank Information that has not been delivered). The foregoing process may be repeated from time to time by the Borrower at its sole discretion.

Notwithstanding anything in the Debt Financing Letters to the contrary, (i) the only representations and warranties the accuracy of which shall be a condition to availability of the Credit Facilities necessary to consummate the Acquisition on the Closing Date shall be: (A) such of the representations and warranties with respect to the Targets in the Acquisition Agreement as are material to the interests of the Lenders or PNC Capital Markets (solely in its capacity as the Arranger), but only to the extent that you have (or your applicable affiliate has) the right to terminate your (or its) obligations under the Acquisition Agreement or decline to consummate the Acquisition as a result of a breach of such representations and warranties (collectively, the "**Specified Acquisition Agreement Representations**") and (B) the Specified Representations

(as hereinafter defined), (ii) the terms of the Credit Documents shall be in a form such that they do not impair availability of the Credit Facilities necessary to consummate the Acquisition on the Closing Date if the conditions expressly set forth herein or referenced in this Section 4 are satisfied (it being understood that, to the extent any Collateral (other than to the extent that a lien on such Collateral may be perfected (y) subject to the Due Authorization Limitation Provision, by the filing of a financing statement under the Uniform Commercial Code, or (z) subject to the Due Authorization Limitation Provision, by the delivery of stock certificates together with undated stock powers executed in blank) is not or cannot be perfected on the Closing Date after your use of commercially reasonable efforts to do so, the perfection of such Collateral shall not constitute a condition precedent to the availability of the Credit Facilities necessary to consummate the Acquisition on the Closing Date, but shall be required to be perfected within 60 days after the Closing Date (subject to extensions agreed to in writing by the Administrative Agent)) and (iii) with respect to any Target and any of its affiliates that are to be a Guarantor, such entities shall not be required to join as a Guarantor until the consummation of the acquisition of the Targets by the Borrower contemplated by the Acquisition Agreement, but such entities shall join the Credit Documentation within 2 hours after the time of the consummation of the acquisition (this clause (iii), the "**Due Authorization Limitation Provision**"). For purposes hereof, "**Specified Representations**" means the representations and warranties set forth in the Credit Documents relating to corporate or other organizational existence, organizational power and authority (as to execution, delivery and performance of the Credit Documents), the due authorization, execution, delivery and enforceability of the Credit Documents, solvency of Holdings and its subsidiaries on a consolidated basis on the Closing Date after giving effect to the Transactions (in form and scope consistent with the solvency certificate to be delivered pursuant to clause (b)(ii) of Annex 3 to the Term Sheet), no conflicts of the Credit Documents with charter documents, material laws, use of proceeds and Federal Reserve margin regulations, FCPA, the Patriot Act, OFAC/AML and other anti-terrorism laws, the Investment Company Act, status of the Credit Facilities and the related guaranties as senior debt (to the extent applicable), and, subject to permitted liens and the limitations set forth in this paragraph, the creation, perfection and priority of security interests in the Collateral. This paragraph shall be referred to herein as the "**Limited Conditionality Provision**."

5. Fees, Indemnification and Expenses.

You agree to pay the fees set forth in the Fee Letters at the times set forth therein, in accordance with the terms therein. You also agree to reimburse PNC Capital Markets and PNC Bank from time to time on demand for all reasonable and documented out-of-pocket fees and expenses (whether incurred before or after the date hereof) which they may incur while performing services hereunder, including in connection with the negotiation, preparation, due diligence, execution, syndication, delivery and enforcement of the Credit Facilities, the Debt Financing Letters and the Credit Documentation. These include, without limitation, reasonable fees and expenses of legal counsel, appraisers, experts and consultants. Such reimbursement shall not be contingent upon the closing of the Credit Facilities or execution of the Credit Documentation. Notwithstanding anything to the contrary contained herein, any fees and

expenses required to be paid pursuant to this paragraph shall only be required to be paid on the Closing Date to the extent that an invoice for such fees and expenses is delivered to the Borrower at least two (2) business days prior to the Closing Date.

You further agree to indemnify and hold harmless PNC Capital Markets, PNC Bank and each of their respective affiliates and each of their respective officers, directors, employees, advisors and agents (each, an "**Indemnified Person**") from and against (and will reimburse each Indemnified Person as the same are incurred for) any and all losses, claims, damages, liabilities, costs and expenses (including without limitation reasonable fees and expenses of outside legal counsel), joint or several, which may be incurred by or asserted or awarded against any Indemnified Person (including, without limitation, in connection with any investigation, litigation or other proceeding or preparation of a defense in connection therewith), in each case arising out of or in connection with: (a) any aspect of the Transactions, (b) this letter, (c) the Term Sheet, (d) the Fee Letters or (e) any other transaction contemplated by any of the foregoing, provided that such indemnity shall not, as to any Indemnified Person, be available to the extent that such claims, damages, losses, liabilities, costs or expenses are found in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from such Indemnified Person's own gross negligence or willful misconduct or that of its respective affiliates or each of their respective officers, directors, employees, advisors and agents. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its affiliates, directors, security holders or creditors, an Indemnified Person or any other person or an Indemnified Person is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. No Indemnified Person shall be liable for any damage arising from the use by others of Information Materials obtained through electronic, telecommunications or other information systems, except to the extent such damages are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnified Person. In addition, no Indemnified Person shall be liable for any special, indirect, consequential or punitive damages in connection with the any of the Transactions.

6. Sharing of Information.

You acknowledge that the Arranger is a financial services firm and the Arranger may from time to time effect transactions, for its own or its affiliates' account or the account of customers, and hold positions in loans, securities or options on loans or securities of you, the Targets, your or their respective affiliates and of other companies that may be the subject of the transactions contemplated by the Commitment Letter. You acknowledge that the Arranger and/or one or more of its affiliates may provide financing, equity capital, financial advisory and/or other services to parties whose interests may conflict with your interests. Neither the Arranger nor any of its respective affiliates will furnish confidential information obtained from you to any of their other customers. You also acknowledge that the Arranger and the Administrative Agent and their respective affiliates have no obligation to use in connection with

the transactions contemplated hereby, or to furnish to you, confidential information obtained from other companies or other persons. Furthermore, neither the Arranger nor any of its affiliates will make available to you confidential information that it has obtained or may obtain from any other person.

7. Confidentiality.

This letter is delivered to you on the understanding that neither the Commitment Letter, the Fee Letters nor any of their respective terms or substance shall be disclosed, directly or indirectly, to any other person except (a) you and your officers, directors, employees, affiliates, members, partners, stockholders, attorneys, accountants, agents and advisors and, on a confidential basis, the officers, directors, employees, affiliates, members, partners, stockholders, attorneys, accountants, agents and advisors of the Targets and their parent company, respective subsidiaries and direct and indirect equity holders and the Targets themselves (provided that the Fee Letters and their respective terms and substance shall only be disclosed to the Targets and their respective officers, directors, employees, attorneys, accountants, agents or advisors in a mutually agreed redacted form), in each case on a need to know basis, (b) in any legal, judicial or administrative proceeding or as otherwise required by law or regulation or as requested by a governmental authority (in which case you agree, to the extent permitted by law, to inform us promptly in advance thereof), (c) after your acceptance hereof, this letter and the existence and contents hereof (but not the Fee Letters and the terms and substance thereof) may be disclosed in any prospectus or offering memoranda relating to the Credit Facilities, in any syndication or other marketing material in connection with the Credit Facilities or in connection with any public filing requirement, and (d) the Term Sheet may be disclosed to potential Lenders and to any rating agency in connection with the Transactions. We agree to use any confidential information provided to us by the Company or the Targets in connection herewith solely for the matters discussed herein and in connection with the Transactions and treat such confidential information in substantially the same manner as we treat our own confidential information, which at a minimum shall be a commercially reasonable standard.

This letter is solely for the benefit of you and no other person or entity shall obtain any rights hereunder or be entitled to rely or claim reliance upon the terms and conditions hereof.

8. Acceptance and Termination.

PNC Bank's commitment hereunder will expire on April 15, 2014, unless on or before that date you sign and return the enclosed copy of this letter along with the Fee Letters. Thereafter, PNC Bank's commitment under this letter will expire on the earlier of (a) September 15, 2014, if the Credit Facilities have not closed on or before that date, and (b) the closing of the Acquisition without the use of the Credit Agreement. These expiration dates may only be extended in writing by PNC Bank and PNC Capital Markets. The Arranger's services hereunder may be terminated by you upon thirty (30) days' written notice to the Arranger. Notwithstanding any termination of such services or this letter, the Arranger and PNC Bank shall be entitled to the

expenses and fees described above, and your indemnification obligations outlined above will continue. In the event the Arranger's services are terminated by you, the commitment of PNC Bank shall also terminate.

9. Patriot Act.

PNC Capital Markets hereby notifies you that pursuant to the requirements of the U.S.A. PATRIOT ACT (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it and each of the Lenders is required to obtain, verify and record information that identifies you and your affiliates, which information may include your or their respective names and addresses, and other information that will allow PNC Capital Markets and each of the Lenders to identify you or any of them in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for PNC Capital Markets and each of the Lenders.

10. Survival of Obligations.

The provisions of Sections 2, 3, 5, 7 and 11 shall survive the termination of the undertakings of the Arranger and Administrative Agent hereunder, provided that your obligations hereunder (other than your obligations with respect to (i) assistance to be provided in connection with the syndication and (ii) confidentiality of the Fee Letters and the contents thereof) shall automatically terminate and be superseded by the provisions of the Credit Documentation upon the Closing Date, and you shall automatically be released from all such liabilities in connection hereunder at such time.

11. Miscellaneous.

(a) This letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania; provided, however, that the laws of the State of Delaware shall govern in determining (a) the interpretation of a "Company Material Adverse Effect" (as defined above in this Commitment Letter) and whether a "Company Material Adverse Effect" (as defined above in this Commitment Letter) has occurred, (b) the accuracy of any Specified Acquisition Agreement Representations and whether as a result of any inaccuracy thereof you (or your applicable affiliates) have the right (without regard to any notice requirement) to terminate your (or its) obligations (or to decline to consummate the Acquisition) under the Acquisition Agreement and (c) whether the Acquisition has been consummated in accordance with the terms of the Acquisition Agreement (in each case, without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction). Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in Allegheny County,

Pennsylvania. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in Allegheny County, Pennsylvania.

(b) This letter may not be assigned by you and no rights of yours hereunder may be transferred and no obligations may be delegated without the prior written consent of PNC Bank or PNC Capital Markets.

(c) This letter may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter by telecopier or electronic transmission shall be as effective as delivery of an original executed counterpart of this letter.

(d) This letter may not be amended or modified, or any provisions hereof waived, except by a written agreement signed by all parties hereto. This letter is not intended to create a fiduciary relationship among the parties hereto.

(e) When accepted, the Commitment Letter and the Fee Letters constitute the entire agreement among the Arranger, PNC Bank, and you concerning the Credit Facilities and replaces all prior understandings, statements and negotiations.

(f) You acknowledge and agree that, as Arranger, PNC Capital Markets is not advising you as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. You shall consult with your own advisors concerning such matters and shall be responsible for making your own independent investigation and appraisal of the transactions contemplated hereby, and PNC Capital Markets shall have no responsibility or liability to you with respect thereto. Any review by PNC Capital Markets of you, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of PNC Capital Markets and PNC Bank and shall not be on behalf of you.

(g) You hereby authorize PNC Capital Markets and PNC Bank at their respective sole expense, after providing prior notice thereof to the Borrower, to reference the syndication and arrangement of the Credit Facilities in connection with marketing, press release or other transactional announcements or updates; provided that the content of any such marketing, press release or other transactional announcements or updates shall be reasonably acceptable to the Borrower.

(h) Each of the parties hereto agrees that (i) this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Credit Documentation by the parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the funding of the Credit Facilities is subject only to the conditions expressly set forth in Section 4 of this Commitment Letter and the other conditions referred to on Annex 3 to Exhibit A to this Commitment Letter and (ii) each Fee Letter is a binding and enforceable agreement of the parties thereto with respect to the subject matter set forth therein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO COMMITMENT LETTER]

If the foregoing accurately sets forth your understanding, please indicate your acceptance hereof by signing the enclosed copy of this Commitment Letter and returning it, together with the Fee Letters, to Connie Cesario, PNC Capital Markets LLC, Address: 225 Fifth Avenue, Pittsburgh, PA 15222 (fax: 412-762-2760) (email:connie.cesario@pnc.com). If the Borrower elects to deliver this Commitment Letter by telecopier or electronic transmission, please arrange for the executed original to follow by next-day courier; provided that the failure to provide such executed original shall not affect the binding and enforceable effect of this Commitment Letter and shall not be considered a breach of this Commitment Letter. We are pleased to have this opportunity and very much look forward to working with you.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Connie K. Cesario
Name: Connie K. Cesario
Title: Managing Director

Accepted and agreed to as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

EXHIBIT A

KOPPERS INC.
$800,000,000 SENIOR SECURED CREDIT FACILITIES
SUMMARY OF TERMS AND CONDITIONS

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the Commitment Letter to which this Exhibit A is attached, or, if not defined therein, in the Annexes attached to this Exhibit A. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

I. DESCRIPTION OF TRANSACTIONS:

Koppers Inc. (the "**Acquirer**") intends to acquire (the "**Acquisition**") the outstanding capital stock of the two affiliated companies previously identified to us as Project Orchid (the "**Targets**"). In connection with the foregoing, it is intended that the following transactions shall be consummated:

(a) the Acquirer will enter into the Acquisition Agreement (as hereinafter defined), among the Acquirer, the equity holder of the Targets and the Targets pursuant to which the Acquirer will acquire the stock of the Targets and their respective subsidiaries, and

(b) the Borrower will obtain the senior secured credit facilities described in this Exhibit A, which will include (i) a senior secured revolving credit facility in an aggregate principal amount of up to $500 million (the "**Revolver**"), and (ii) a senior secured term loan facility (the "**Term Loan**") in an aggregate principal amount of up to $300 million, (the Revolver and the Term Loan, are collectively, the "**Credit Facilities**"). The maximum principal amount of the Revolver shall not be less than $350 million and the aggregate principal amount of the Credit Facilities shall not exceed, or, unless agreed to in writing by the Borrower, be less than $800 million.

The Acquisition and the Credit Facilities are collectively referred to herein as the "**Transactions**".

II. PARTIES:

A. Borrower: Koppers Inc., a Pennsylvania corporation (the "**Company**" or the "**Borrower**").

B. Guarantors:	Koppers Holdings Inc. ("**Holdings**"), Koppers World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Asia LLC, Koppers Concrete Products, Inc., Concrete Partners, Inc., and Koppers Ventures LLC (consistent with the Amended and Restated Credit Agreement among the foregoing guarantors, the Company, the lenders party thereto and the Administrative Agent, dated as of March 27, 2013, (as amended, the "**Existing Credit Agreement**")), and, subject to the Due Authorization Limitation Provision, the Targets and any other newly created or acquired domestic subsidiaries. In addition, the Borrower shall provide a Guaranty with respect to Hedge Liabilities and Treasury/Credit Liabilities (as defined in the Existing Credit Agreement) of the Borrower's Subsidiaries. Notwithstanding anything to the contrary, the Credit Documentation shall include customary exclusions for Guarantors that are not "eligible contract participants" (as defined in the Commodity Exchange Act (7 U.S.C. section 1 et seq., as amended from time to time), and any successor statute) from guaranteeing obligations of any Borrower or Guarantor that relate to Excluded Swap Obligations (as defined in the Existing Credit Agreement)).
C. Loan Parties:	The Borrower and the Guarantors (collectively, the "**Loan Parties**).
D. Bookrunner:	PNC Capital Markets LLC.
E. Joint Bookrunners:	To be determined.
F. Administrative Agent:	PNC Bank, National Association.
G. Joint Lead Arrangers:	PNC Capital Markets and institutions acceptable to PNC Capital Markets, the Administrative Agent and the Borrower (collectively, the "**Joint Lead Arrangers**").
H. Lenders:	Lending institutions acceptable to PNC Capital Markets, the Administrative Agent and the Borrower (collectively, the "**Lenders**").

III. CREDIT FACILITIES:

A. Revolving Credit Loan Facility:

Type and Amount:	Up to $500 million senior secured revolving credit facility (the "**Revolver**") with a $75 million sublimit available to the Company for optional currencies acceptable to the Lenders.
Expiration Date:	Five (5) years from the Closing Date (the "**Expiration Date**").
Availability and Maturity:	The Revolver shall be available on a revolving basis during a period commencing on the Closing Date and ending on the Expiration Date. The Revolver will expire on the Expiration Date and all obligations outstanding or issued thereunder shall be due and payable in full on the Expiration Date. Amounts repaid under the Revolver may be re-borrowed, subject to on-going borrower conditions.
Letters of Credit:	A portion of the Revolver in the amount of $125 million shall be available beginning on the Closing Date for the issuance of letters of credit in US Dollars and optional currencies acceptable to the Lenders (the "**Letters of Credit**"). Each Letter of Credit shall (i) have a maximum maturity of twelve (12) months from the date of issuance (but may include a provision for the automatic extension of the Letter of Credit absent notice by the issuing lender to the beneficiary) and (ii) in no event expire later than 364 days after the Expiration Date (subject to the Borrower cash collateralizing Letters of Credit which continue beyond the Expiration Date). Any issuance of Letters of Credit will reduce availability under the Revolver on a dollar-for-dollar basis.
Swing Loans:	A portion of the Revolver in the amount of $25 million shall be available beginning on the Closing Date for the advancement of swingline loans (the "**Swing Loans**") from the Administrative Agent on same-day notice. Any Swing Loans will reduce availability under the Revolver on a dollar-for-dollar basis. Each Lender under the Revolver shall be irrevocably and unconditionally required to purchase, under certain circumstances, a participation in each Swing Loan on a pro rata basis.

B. Term Loan Facility:

Type and Amount:	Up to $300 million senior secured term loan (the "**Term Loan**").
Maturity Date:	Five (5) years from the Closing Date (the "**Maturity Date**").
Maturity and Amortization:	The Term Loan shall be advanced in full on or prior to the Maturity Date and will include principal payments payable quarterly and equating to 10% of the original principal amount of the Term Loan per annum; provided that the amount and timing of principal payments due during calendar year 2014 will be determined by the Administrative Agent based upon the timing of the closing of the Credit Facilities.
Availability:	The Term Loan shall be made in a single drawing on the Closing Date. Repayments and prepayments of the Term Loan may not be re-borrowed.
C. Use of Proceeds:	The Credit Facilities will be used to (i) finance the acquisition of the Targets, (ii) fund ongoing working capital, capital expenditures and general corporate purposes, including payments of permitted dividends, funds for permitted acquisitions and funds for permitted stock and debt repurchases, and (iii) for payment of fees and expenses in connection with the Acquisition and the Credit Facilities.
D. Increase Option:	After the Closing Date, the Borrower (so long as no default or event of default has occurred and is continuing) shall have the option at any time, but not more often than two (2) times to increase the Revolver, in an amount not to exceed $50 million without the consent of the Lenders. The Borrower may solicit any Lender and/or any other financial institution reasonably satisfactory to the Administrative Agent and the Borrower to provide such additional or new commitments. No Lender shall be committed to provide any incremental commitment until it expressly agrees to provide such commitment.

IV. CERTAIN PAYMENT PROVISIONS

A. Fees and Interest Rates:	As set forth on Annex 1 to Exhibit A

B. Voluntary Prepayments/ Reductions in Commitments:	Voluntary reductions of the unutilized portion of the Revolver commitments and voluntary prepayments of Term Loan borrowings will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to payment of breakage costs in the case of a prepayment of LIBOR borrowings other than on the last day of the relevant interest period, or any other provisions contained in the Credit Documentation. Voluntary reductions to the Term Loan shall be applied in the inverse order of scheduled payments and may not be re-borrowed.
C. Mandatory Prepayments:	Mandatory prepayments shall be required in an amount equal to 100% of the net cash proceeds of all: (i) non-ordinary course asset sales or other dispositions of property by the Loan Parties and their subsidiaries in excess of any agreed upon amount and subject to reinvestment rights to be agreed upon; (ii) issuances of debt obligations of the Loan Parties and their subsidiaries after the Closing Date (excluding proceeds from (a) other debt permitted under the Credit Documentation or (b) a 144a Placement); (iii) material recovery events in excess of an agreed upon amount subject to reinvestment rights to be agreed upon. Payments will be applied to reduce the Term Loan in the inverse order of scheduled payments without premium or penalty (subject to payment of breakage costs in the case of a prepayment of LIBOR borrowings other than on the last day of the relevant interest period, or any other provisions contained in the Credit Documentation). Mandatory prepayments of the Term Loan may not be re-borrowed.
V. COLLATERAL:	Subject to the limitations set forth below and the Limited Conditionality Provision, the Credit Facilities and obligations under any interest rate protection or other hedging arrangements (other than excluded hedging and swap obligations with respect to collateral granted by parties that are not of eligible contract participants) or any treasury management or banking services obligations entered into with the Administrative Agent, an entity that is (or was at the time such transaction was entered into) a Lender, or any affiliate of any of the foregoing ("**Hedging/Cash Management Arrangements**") will be secured by all of the personal property of the Loan Parties (collectively, the "**Collateral**"), including but not limited to (a) a first-priority (subject to permitted liens) pledge of (i) all of the capital stock of the Borrower and each Guarantor (other than Holdings) and (ii) all the capital stock held by the Loan Parties of each existing and subsequently

acquired or organized subsidiary (which pledge, in the case of the pledge of the voting capital stock of any first tier foreign subsidiary, shall be limited to 65% of the voting capital stock of such foreign subsidiary) and (b) perfected first-priority (subject to permitted liens) security interest in all of the Loan Parties' present and future personal property assets including but not limited to deposit accounts, accounts receivable, inventory, fixtures, equipment, investment property, instruments, chattel paper, cash and cash equivalents and all general intangibles (to include patents and trademarks), contract rights, rights to the payment of money, documents, chattel paper and proceeds and products of the foregoing. The Credit Documentation will contain standard provisions for "Excluded Collateral", which would include, among other things, exceptions for security interests prohibited by law or permitted agreement (not entered into in contemplation thereof) or which would require governmental or third party consent or authorization, the burden or cost of which consent or authorization, in the reasonable judgment of the Administrative Agent and the Borrower, outweighs the benefit of such security to the Lenders.

To the extent that the 2009 Notes (as defined in the Existing Credit Agreement) are not replaced by a 144a Placement, all the above-described pledges and security interests shall be created on terms to be set forth in a collateral trust agreement pursuant to which liens will be granted to a collateral trustee and will secure, on a *pari passu* basis, the Credit Facilities and the 2009 Notes; and none of the Collateral shall be subject to other pledges or security interests (other than customary permitted liens to be agreed).

VI. CREDIT DOCUMENTATION:

A. Representations and Warranties:

Shall be substantially consistent with the Existing Credit Agreement and consist of the following (with exceptions, materiality and other qualifications to be agreed): organization and qualification; subsidiaries; power and authority; validity and binding effect; no conflict; litigation; title to properties; no Material Adverse Change (as such term is defined in the Credit Documentation) since December 31, 2013; use of proceeds; margin stock; full disclosure; taxes; consents and approvals; no event of default; compliance with instruments; patents, trademarks, copyrights, licenses, etc.; security interests; status of the pledged collateral; insurance; compliance with law (including PATRIOT Act, anti-money laundering and anti-corruption laws, anti-terrorism laws, ERISA, margin regulations and environmental laws); material contracts; investment companies; regulated entities; plans and

	benefit arrangements; employment matters; environmental matters and safety matters; senior debt status; and solvency, and, on the Closing Date, the foregoing shall be subject to the Limited Conditionality Provision and the first paragraph of Section 4 of the Commitment Letter.
C. Conditions Precedent to Closing:	Subject to the Limited Conditionality Provision, as set forth on Annex 3 to Exhibit A
D. Conditions Precedent to Loans Made After the Closing Date:	Shall be substantially consistent with the Existing Credit Agreement and consist of the following: a) All representations and warranties are true and correct in all material respects on and as of the date of any borrowing, before and after giving effect to such borrowing and to the application of the proceeds therefrom, as though made on and as of such date, unless such representation or warranty relates to a specific date, in which case it has to be true and correct in all material respects as of such date; b) No Event of Default or event, which, with the giving of notice or passage of time or both, would be an Event of Default, has occurred and is continuing, or would result from such borrowing; c) No contravention of material laws applicable to any Loan Party, any of their subsidiaries or any Lender; and d) Completion of a loan request or application for a Letter of Credit, as applicable.
E. Affirmative Covenants:	Subject to the Limited Conditionality Provision, shall be substantially consistent with the Existing Credit Agreement and consist of the following (with exceptions, materiality and other qualifications to be agreed): preservation of corporate existence, etc.; payment of liabilities and taxes; maintenance of insurance; maintenance of properties and leases; maintenance of patents, trademarks, etc.; visitation rights; keeping of records and books of account; plan and benefit arrangements; compliance with laws; use of proceeds; further assurances; anti-terrorism laws; subordination of intercompany loans; and keepwell with respect to guaranty of swap obligations.

F. Reporting Requirements: Subject to the Limited Conditionality Provision, shall be substantially consistent with the Existing Credit Agreement and consist of the following (with exceptions, materiality and other qualifications to be agreed):

a) Provide within 45 days after the end of each of the first three fiscal quarters in each fiscal year, financial statements of Holdings, consisting of a consolidated balance sheet as of the end of such fiscal quarter and related consolidated statements of income and cash flows for the fiscal quarter then ended and the fiscal year through that date, which shall include in the notes thereto, the condensed consolidating balance sheet and condensed consolidating statements of income and cash flows for Holdings and its subsidiaries, all in reasonable detail and certified by the Chief Executive Officer, President, Chief Financial Officer, or Treasurer of Holdings. Simultaneously with the delivery of the financial statements referred to above, the Borrower shall also furnish to the Administrative Agent and the Lenders a report on environmental matters occurring during such fiscal quarter with such information and in form and scope satisfactory to the Administrative Agent.

b) Provide within 90 calendar days after the end of each fiscal year of Holdings, financial statements of Holdings and its subsidiaries consisting of a consolidated balance sheet as of the end of such fiscal year, and related consolidated statements of income, stockholders' equity and cash flows for the fiscal year then ended, which shall include in the notes thereto, the condensed consolidating balance sheet and condensed consolidating statements of income and cash flows for Holdings and its subsidiaries, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year, and certified by independent certified public accountants of nationally recognized standing satisfactory to the Administrative Agent. Simultaneously with the delivery of the financial statements referred to above, the Borrower shall also furnish to the Administrative Agent and the Lenders a report on environmental matters occurring during the fourth fiscal quarter of such year which contains such information and in form and scope satisfactory to the Administrative Agent.

c) Concurrently with the financial statements of Holdings and its subsidiaries furnished to the Administrative Agent and to the Lenders, a certificate (each, a "**Compliance Certificate**") of Holdings signed by the Chief Executive Officer, President, Chief Financial Officer, or Treasurer of Holdings, to the effect that (i) the representations and warranties of Holdings are true on and as of the date of such certificate and the Loan Parties have performed and

complied with all covenants and conditions hereof, (ii) no Event of Default or Potential Default exists and is continuing on the date of such certificate and (iii) containing calculations in sufficient detail to demonstrate compliance as of the date of such financial statements with all financial covenants.

d) Provide, not later than sixty (60) days after the commencement of each fiscal year, a consolidated annual budget, including a consolidated balance sheet, income statement and cash flow statement, and any consolidated forecasts or projections of Holdings and its subsidiaries;

e) Notice of default, litigation, transfer of assets, changes in organizational documents, change in any Loan Party's location; erroneous financial information, ERISA events, SEC reports, shareholder communications; and

f) Other information as reasonably requested.

G. Negative Covenants: Subject to the Limited Conditionality Provision, shall be substantially consistent with the Existing Credit Agreement and consist of the following (with exceptions, materiality and other qualifications to be agreed) limitations on: indebtedness; liens and lien covenants; guaranties; loans and investments; restricted payments; liquidations, mergers, consolidations, acquisitions; dispositions of assets or subsidiaries; affiliate transactions; subsidiaries, partnerships and joint ventures; continuation of or change in business; plans and benefit arrangements; fiscal year; issuance of stock; changes in organizational documents and to the extent that the 2009 Notes are not replaced by a 144a Placement, changes in 2009 senior note debt documents.

H. Financial Covenants: **Total Secured Leverage Ratio –** The Loan Parties shall not at any time permit the Total Secured Leverage Ratio (to be defined in Credit Documentation), calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, to exceed 5.5 to 1.0 with step-downs to (a) 5.25 to 1.0 at December 31, 2014, (b) 5.0 to 1.0 at December 31, 2015, (c) 4.5 to 1.0 at December 31, 2016, (d) 4.25 to 1.0 at December 31, 2017, and (e) 4.0 to 1.0 at December 31, 2018. The foregoing ratios and step-downs are subject to further adjustment depending upon the amount and unsecured status of the Borrower's senior notes (either the 2009 Notes or notes issued in connection with a 144a Placement).

Fixed Charge Coverage Ratio – The Loan Parties shall not permit the Fixed Charge Coverage Ratio (to be defined in Credit Documentation), calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, to be less than 1.1 to 1.0.

I. Events of Default:	Subject to the Limited Conditionality Provision, shall be substantially consistent with the Existing Credit Agreement and usual and customary for transactions of this nature and consisting of the following (with exceptions, materiality and other qualifications to be agreed) payment under loan documents; breach of warranty; breach of covenants; default in other agreements or indebtedness; final judgments or orders; loan document unenforceable; uninsured losses; proceedings against assets; notice of lien or assessment; insolvency; events relating to plans and benefit arrangements; cessation of business; change of control; Beazer East Default (as defined in the Existing Credit Agreement); bankruptcy, insolvency and reorganization proceedings.
VII. Miscellaneous Provisions:	
Voting:	Amendments and waivers of the Credit Documentation will require the approval of Lenders holding greater than 50% of the aggregate amount of the loans and commitments under the Credit Facilities (the "**Required Lenders**"), except that the consent of each affected Lender shall be required with respect to (i) increases in the commitment of such Lender, (ii) reductions of principal, interest or fees, (iii) extensions of final maturity or scheduled amortization, (iv) releases of Guarantors or all or substantially all of the Collateral (except as permitted by the Credit Documentation), (v) amend sections of the Credit Documentation concerning pro-rata treatment of lenders, sharing of payments and the exculpatory provisions relating to the Administrative Agent, and (vi) modifications to the definition of Required Lenders.
Assignments and Participations:	Assignments must be in a minimum amount of $5,000,000. Assignments are subject to the approval of the Administrative Agent and Borrower (unless an event of default has occurred and is continuing or such assignment is to a Lender or an affiliate of a Lender); such consent may not be unreasonably withheld. No participation shall include voting rights, other than for matters requiring consent of 100% of the Lenders. Assignments will be subject to the payment by the assigning Lender of a $3,500 service fee to the Administrative Agent.
Yield Protection:	The Borrower shall pay the Lenders under customary yield protection provisions such additional amounts as will compensate the Lenders and their respective holding companies in the event that any of them are or become subject to legal, capital or reserve requirements (including

	without limitation those arising under the Dodd-Frank Wall Street Reform and Consumer Protection Act or Basel III, or any rules, guidelines or directives issued at any time in connection therewith) or taxes (except for taxes on overall net income) which in any case increase the cost or reduce the yield to the Lenders or their respective holding companies.
Non-Consenting and Defaulting Lenders:	Documentation shall include customary provisions for (i) replacing non-consenting Lenders in connection with amendments and waivers and (ii) addressing "defaulting" Lenders.
Expenses:	The Borrower shall pay all of PNC Capital Markets and the Administrative Agent's costs and expenses associated with the preparation, due diligence, administration, syndication and enforcement of all documentation executed in connection with the Credit Facilities, including, without limitation, the reasonable legal fees of outside counsel to the Administrative Agent and PNC Capital Markets, regardless of whether or not the Credit Facilities close; provided that only those costs and expenses for which an invoice is delivered to the Borrower at least two (2) business days prior to the Closing Date will be required to be paid on the Closing Date.
Indemnification:	The Borrower shall indemnify and hold harmless PNC Capital Markets, the Administrative Agent and each of the Lenders and each of their respective affiliates and each of their respective officers, directors, employees, advisors and agents (each, an "**Indemnified Person**") from and against (and will reimburse each Indemnified Person as the same are incurred for) any and all losses, claims, damages, liabilities, costs and expenses (including without limitation reasonable fees and expenses of outside legal counsel), joint or several, which may be incurred by or asserted or awarded against any Indemnified Person (including, without limitation, in connection with any investigation, litigation or other proceeding or preparation of a defense in connection therewith), in each case arising out of or in connection with: (a) the Commitment Letter, (b) this Term Sheet, (c) the Fee Letters or (d) any other transaction contemplated by any of the foregoing, except to the extent such claim, damage, loss, liability, cost or expense is found in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from such Indemnified Person's own gross negligence or willful misconduct or that of its respective affiliates or each of their respective officers, directors, employees, advisors and agents. No Indemnified Person shall be liable for any damage arising from the use by others of Information Materials obtained through electronic, telecommunications or other information systems, except to the extent such damages are found by a final, non-appealable judgment of a court

	of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnified Person. In addition, no Indemnified Person shall be liable for any special, indirect, consequential or punitive damages in connection with the Transactions.
Other:	Each of the parties shall waive its right to a trial by jury and shall submit to Pennsylvania jurisdiction. The Credit Documentation shall include customary increased costs, withholding tax and capital adequacy provisions.
Governing Law:	Commonwealth of Pennsylvania.
Administrative Agent's Counsel:	Buchanan Ingersoll & Rooney PC.

Annex 1 to Exhibit A

Interest Rates:	Pricing of the Credit Facilities shall bear interest, at the Borrower's option, at a rate based on LIBOR or the Base Rate, plus a margin based on the Borrower's Total Secured Leverage Ratio as set forth in a performance based pricing grid attached hereto as Annex 2 to Exhibit A. Pricing on the Closing Date shall be determined based upon the Borrower's proforma Total Secured Leverage Ratio as of the Closing Date after giving effect to the Transactions with reference to the performance based pricing grid attached hereto as Annex 2 to Exhibit A. Each swing line loan shall bear interest at the Base Rate or As-Offered Rate plus the applicable margin for Base Rate loans.
Base Rate:	The "**Base Rate**" or "**BR**" is the highest of (i) the Administrative Agent's prime rate (ii) the Federal Funds open rate plus ½% and (iii) the Daily LIBOR Rate plus 100 basis points. Interest on the BR borrowings is calculated on a 365 or 366 day basis, as the case may be, and actual days elapsed and is payable quarterly in arrears. For purposes of this definition, Daily LIBOR Rate shall mean, for any day, the rate per annum determined by the Administrative Agent by dividing the (x) the Published Rate by (y) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any Eurocurrency funding by banks on such day. "**Published Rate**" shall mean the rate of interest published each business day in The Wall Street Journal "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the Eurodollar rate for a one month period as published in another publication determined by the Administrative Agent).
LIBOR:	Interest on LIBOR borrowings is calculated on an actual/360 day basis and is payable on the last day of each interest period and with respect to interest periods in excess of 3 months, every 90 days and on the last day of each interest period. LIBOR advances will be available for periods of 1, 2, 3 or 6 months. LIBOR pricing will be adjusted for any statutory reserves.
Default Rate:	Subsequent to an Event of Default, outstandings shall bear interest at 2.0% over the rate of interest applicable under the Base Rate pricing option and letter of credit fees shall be 2.0% above the otherwise applicable letter of credit fees until such time as such Event of Default has been cured, waived or amended.

Fees:

Letters of Credit:	The Borrower shall pay letter of credit fees, payable quarterly in arrears, equal to the spread over LIBOR with respect to Revolver loans on the aggregate undrawn amount of the letters of credit issued under the Revolver. In addition, the Borrowers shall pay a letter of credit fronting fee, payable quarterly in arrears.
Commitment Fee:	A commitment fee, based on the Borrower's Total Secured Leverage Ratio as set forth in a performance based pricing grid attached hereto as Annex 2 to Exhibit A shall be paid on the unused portion of the Revolver. The commitment fee shall be payable to each Lender quarterly in arrears in proportion to such Lender's Revolver commitment.

Annex 2 to Exhibit A

Pricing Grid

Level	Senior Secured Leverage Ratio	LIBOR Margin	Base Rate Margin	Commitment Fee
I	³ 3.00 to 1.00	325	225	37.5
II	< 3.00 to 1.00 but ³ 2.50 to 1.00	300	200	37.5
III	< 2.50 to 1.00 but ³ 2.00 to 1.00	275	175	25
IV	< 2.00 to 1.00 but ³ 1.50 to 1.00	250	150	25
V	< 1.50 to 1.00	225	125	20

Note:

All pricing and commitment fees are expressed in basis points.

Annex 3 to Exhibit A

Conditions Precedent to Closing

Shall consist only of the conditions precedent expressly set forth in Section 4 of this Commitment Letter and the following in this Annex 3:

(a) The Acquisition shall be consummated pursuant to the Stock Purchase Agreement by and among Osmose Holdings, Inc., Osmose, Inc., Osmose Railroad Services, Inc., and the Acquirer provided to and in form and substance reasonably acceptable to the Arranger by email at approximately 9:27 p.m. EDT on April 13, 2014 (subject to any modifications, consents or waivers thereto that comply with the provisions of this clause (a), and together with the exhibits and schedules thereto, (the "**Acquisition Agreement**"), which shall provide for a base aggregate cash purchase price (subject to adjustment as described in the Acquisition Agreement) not to exceed $460 million (excluding transaction expenses). The Acquisition Agreement shall not have been altered, amended or otherwise changed or supplemented or any condition therein waived without the prior written consent of the Arranger (such consent not to be unreasonably withheld, conditioned or delayed) to the extent any such alteration, amendment, or other change, supplement or waiver would be materially adverse to the interests of the Lenders (it being understood and agreed that (1) any change in the definition of "Material Adverse Effect" (as defined in the Acquisition Agreement) shall be deemed to be materially adverse to the interests of the Lenders, (2) any increase in the base aggregate cash purchase price (subject to adjustment as described in the Acquisition Agreement and excluding any transaction expenses) under the Acquisition Agreement shall be deemed to be materially adverse to the interests of the Lenders, and (3) any decrease in the base aggregate cash purchase price (subject to adjustment as described in the Acquisition Agreement) under the Acquisition Agreement shall be deemed to be materially adverse to the interests of the Lenders unless such decrease is used to reduce the amount of the Term Loan on a dollar-for-dollar basis). The consummation of the Acquisition and the Credit Facilities, to the extent that the 2009 Notes are not replaced by a 144a Placement, (i) will not require an amendment to the 2009 Senior Note Debt Documents or the consent of the 2009 Trustee or the noteholders under the 2009 Senior Note Debt Documents, and (ii) subject to the Limited Conditionality Provision, will provide for the establishment of a collateral trust agreement pursuant to which liens will be granted to a collateral trustee and will secure, on a *pari passu* basis, the Credit Facilities and the 2009 Notes;

(b) Subject to the Limited Conditionality Provision, you shall have delivered the following items to the Administrative Agent: (i) executed copies of the Credit Documentation, including, only a credit agreement, security agreement, collateral assignment, control agreement (except with respect to the deposit accounts, securities accounts and commodities accounts of the Targets, which shall be provided on a 60-day post-closing basis), pledge agreement, transfer powers, intellectual property security agreement, notes, guaranty agreement, intercompany subordination agreement, loan requests, landlord

waivers for the headquarter location only (except with respect to any leased location of the Targets, which shall be provided on a 60-day post-closing basis) and, if applicable, a collateral trust agreement in accordance with the last sentence of clause (a) above, (ii) evidence of insurance coverage, provided that insurance endorsements shall only be required on a 60-day post-closing basis, (iii) executed copies of the Acquisition Agreement and all related documents, (iv) at least five business days prior to the Closing Date (to the extent requested no later than 10 business days prior to the Closing Date), all documentation and other information requested by the Administrative Agent, the Lead Arranger or any Lender that is required by U.S. regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, and (v) a solvency certificate from the chief financial officer or other financial officer of Holdings in substantially the form attached hereto as Attachment A to Annex 3;

(c) Receipt of the Targets' audited financial statements, prepared on a combined basis for the Targets and in accordance with GAAP, for the fiscal years ended December 31, 2011, December 31, 2012 and December 31, 2013;

(d) Subject to the Due Authorization Limitation Provision, secretary's or other officer's certificates for each Loan Party containing certified resolutions, incumbency certificate and corporate documents;

(e) Delivery of customary legal opinion(s) of counsel to the Loan Parties; provided that any opinion with respect to any entity subject to the Due Authorization Limitation Provision shall not be required to be delivered until such entity becomes a Loan Party;

(f) Delivery of (a) a pro forma consolidated balance sheet and related pro forma consolidated statement of income (but not a pro forma statement of cash flows) of Holdings and its subsidiaries (after giving effect to the Acquisition and the other Transactions) as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period ended at least 90 days prior to the Closing Date (if such period is a fiscal year or is the fourth fiscal quarter of any fiscal year) or at least 60 days prior to the Closing Date (if such period is a fiscal quarter other than the fourth fiscal quarter of any fiscal year), prepared after giving effect to the Acquisition and other the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of the statement of income), and (b) pro forma projections (including a pro forma consolidated balance sheet, statements of income and cash flow and assumptions on which such projections are based) of Holdings and its subsidiaries (after giving effect to the Acquisitions and the other Transactions) for the fiscal years 2014 through 2018 provided that each such pro forma financial statement shall be prepared in good faith by Holdings, based upon assumptions that are made in good faith at the time made (it being understood that any such proforma statements are subject to uncertainties and contingencies, some of which are beyond Holdings' control, that no assurance can be given that any particular proforma statement will be realized, and that actual results may differ and that such differences may be material);

(g) All regulatory approvals, including Hart-Scott Rodino, and licenses necessary for the financing shall have been completed and there shall be an absence of any legal or regulatory prohibitions or restrictions;

(h) The commitments of the lenders under the Existing Credit Agreement shall have been terminated, and the obligations of the Loan Parties thereunder shall have been satisfied; and

(i) Payment of all fees and expenses subject to reimbursement. Notwithstanding anything to the contrary contained herein, any fees and expenses required to be paid pursuant to this paragraph shall only be required to be paid on the Closing Date to the extent that an invoice for such fees and expenses is delivered to the Borrower at least two (2) business days prior to the Closing Date.

Attachment A to Annex 3 to Exhibit A

Form of Solvency Certificate

To the Administrative Agent and each of the Lenders party to the Credit Agreement referred to below:

I, the undersigned, a senior authorized financial officer of a corporation (the "**Acquirer**"), in that capacity only and not in my individual capacity (and without personal liability), do hereby certify as of the date hereof, and based upon facts and circumstances as they exist as of the date hereof (and disclaiming any responsibility for changes in such fact and circumstances after the date hereof), that:

1. This certificate is furnished to the Administrative Agent and the Lenders pursuant to Section of the Credit Agreement dated as of , 2014, among the Acquirer, PNC Bank, National Association, as Administrative Agent, and the other parties thereto (the "**Credit Agreement**"). Unless otherwise defined herein, capitalized terms used in this certificate shall have the meanings set forth in the Credit Agreement.

2. For purposes of this certificate, the terms below shall have the following meanings:

(a) "**Fair Value**" shall mean the amount at which the assets (both tangible and intangible), in their entirety, of Holdings and its subsidiaries taken as a whole (after giving effect to the Transactions) would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion to act.

(b) "**Present Fair Salable Value**" shall mean the amount that could be obtained by an independent willing seller from an independent willing buyer if the assets (both tangible and intangible) of Holdings and its subsidiaries taken as a whole (after giving effect to the Transactions) are sold on a going concern basis with reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises insofar as such conditions can be reasonably evaluated.

(c) "**Stated Liabilities**" shall mean the recorded liabilities (including contingent liabilities that would be recorded in accordance with GAAP) of Holdings and its subsidiaries taken as a whole (after giving effect to the Transactions), as of the date hereof after giving effect to the consummation of the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof), determined in accordance with GAAP consistently applied.

(d) "**Identified Contingent Liabilities**" shall mean the maximum estimated amount of liabilities reasonably likely to result from pending; litigation, asserted claims and assessments, guaranties, uninsured risks and other contingent liabilities of Holdings and its subsidiaries (taken as a whole after giving effect to the Transactions) (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof) (including all fees and expenses related thereto but exclusive of such contingent liabilities to the extent reflected in Stated Liabilities (including the Acquisition)), as identified and explained in terms of their nature and estimated magnitude by responsible officers of the Acquiror.

(e) "**Will be able to pay their Stated Liabilities and Identified Contingent Liabilities as they mature**" For the period from the date hereof through the Maturity Date, Holdings, the Acquirer and its subsidiaries taken as a whole (after giving effect to the Transactions) will have sufficient assets and cash flow to pay their respective Stated Liabilities and Identified Contingent Liabilities as those liabilities mature or (in the case of Identified Contingent Liabilities) otherwise become payable, in light of business conducted or anticipated to be conducted by the Holdings and its subsidiaries as reflected in the projected financial statements and in light of the anticipated credit capacity.

(f) "**Do not have Unreasonably Small Capital**" For the period from the date hereof through Maturity Date, Holdings, the Acquirer and its subsidiaries taken as a whole (after giving effect to the Transactions) (including execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof (including the Acquisition)) is a going concern and has sufficient capital to reasonably ensure that it will continue to be a going concern for such period. I understand that "unreasonably small capital" depends upon the nature of the particular business or businesses conducted or to be conducted, and I have reached my conclusion based on the needs and anticipated needs for capital of the business conducted or anticipated to be conducted by the Credit Parties as reflected in the projected financial statements and in light of the anticipated credit capacity.

3. For purposes of this certificate, I, or officers of the Acquirer under my direction and supervision, have performed the following procedures as of and for the periods set forth below.

(a) I have reviewed the financial statements (including the pro forma financial statements) referred to in Section of the Credit Agreement.

(b) I have knowledge of and have reviewed to my satisfaction the Credit Agreement.

(c) As a senior authorized financial officer of the Acquirer, I am familiar with the financial condition of Holdings, the Acquirer and its Subsidiaries.

4. Based on and subject to the foregoing, I hereby certify on behalf of the Acquirer that after giving effect to the consummation of the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof), it is my opinion that (i) the Fair Value of the assets of Holdings, the Acquirer and its subsidiaries taken as a whole (after giving effect to the Transactions) exceed their Stated Liabilities and Identified Contingent Liabilities; (ii) the Present Fair Salable Value of the assets of Holdings, the Acquirer and its subsidiaries taken as a whole (after giving effect to the Transactions) exceed their Stated Liabilities and Identified Contingent Liabilities; (iii) Holdings, the Acquirer and its subsidiaries taken as a whole (after giving effect to the Transactions) do not have Unreasonably Small Capital; and (iv) Holdings, the Acquirer and its Subsidiaries taken as a whole (after giving effect to the Transactions) will be able to pay their Stated Liabilities and Identified Contingent Liabilities as they mature.

IN WITNESS WHEREOF, the Acquirer has caused this certificate to be executed on its behalf by a Senior Authorized Financial Officer as of the date first written above.

JOINDER TO
COMMITMENT LETTER AND JOINT LEAD ARRANGERS' FEE LETTER

May 12, 2014

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222
Attention: Patrick Kern

Re: $800,000,000 Senior Credit Facilities

Ladies and Gentlemen:

We refer to the Commitment Letter (the "**Commitment Letter**") dated April 13, 2014 by and among PNC Bank, National Association, PNC Capital Markets LLC and Koppers Inc. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Commitment Letter.

We are pleased to advise you of Fifth Third Bank's ("**Joining Lender**") commitment to provide $110 million of the Credit Facilities (the "**Additional Commitment**") on the terms and subject to the conditions set forth in the Commitment Letter. The parties hereto hereby agree that effective as of the date hereof (A) Joining Lender hereby is and shall be deemed to be a Lender and an Additional Commitment Party, and Joining Lender hereby is and shall be deemed to be a joint lead arranger and an Additional Commitment Party, in each case, under the Commitment Letter, (B) the Joining Lender shall have assumed together with PNC Bank and each other Additional Commitment Party that has or will join the Commitment Letter (each, a "**Commitment Party**" and collectively, the "**Commitment Parties**") the several obligations under, and shall perform, comply with and be subject to and bound by, severally with each other Commitment Party, each of the terms, provisions and waivers of the Commitment Letter and (C) the Joining Lender shall be entitled to all of the rights and remedies of a Commitment Party under each of the terms and provisions of the Commitment Letter. The parties hereto hereby further agree that effective as of the date hereof Joining Lender hereby is, and shall be deemed to be, a joint lead arranger under the Joint Lead Arrangers' Fee Letter, and Joining Lender shall have together with PNC Bank and each other Additional Commitment Party that has or will join

the Joint Lead Arranger's Fee Letter (each, a "**Joint Lead Arranger**" and collectively, the "**Joint Lead Arrangers**") the rights and remedies of a Joint Lead Arranger under, each of the terms and provisions of the Joint Lead Arrangers' Fee Letter. For the avoidance of doubt, any determination of Majority Lead Arrangers made under the Joint Lead Arrangers' Fee Letter shall include those Joint Lead Arrangers holding directly or together with their affiliates a majority of the commitments under the Credit Facilities. The Joining Lender acknowledges that it has heretofore received a true and correct copy of the Commitment Letter and the Joint Lead Arrangers' Fee Letter.

As consideration for the Additional Commitment and the agreements of the Joining Lender hereunder, PNC Capital Markets hereby agrees that the Joining Lender shall receive a portion of the Underwriting Fee payable to PNC Capital Markets pursuant to the Joint Lead Arrangers' Fee Letter, in an amount equal to 13.75% of the balance of the Underwriting Fee remaining after deducting (i) fees paid to the Lenders on their allocated commitment at closing and (ii) rebate of such Underwriting Fee as provided in the Joint Lead Arrangers' Fee Letter. Once paid by PNC Capital Markets, except as expressly provided in the Joint Lead Arrangers' Fee Letter, such fee shall not be refundable under any circumstances.

The Company hereby agrees that (X) references to Arranger in clause (a) of Annex 3 to Exhibit A of the Commitment Letter will also be references to the Joining Lender and (Y) the Joining Lender and its affiliates and each of its officers, directors, employees, advisors and agents shall be entitled to the benefits of the second paragraph of Section 5 and Sections 6, 7, 8, 9, 10 and 11 of the Commitment Letter, in each case as if each reference therein to PNC Capital Markets, PNC Bank, we or us included a reference to the Joining Lender.

The Joining Lender acknowledges that it has made its own credit analysis and made its own decision to join the Commitment Letter and Joint Lead Arrangers' Fee Letter and issue the Additional Commitment, independently and without reliance on any other bank. PNC Bank, the Company, and their affiliates shall not have any liability or responsibility to the Joining Lender if the Additional Commitment is not accepted or closed.

This letter is solely for the benefit of the Joining Lender, PNC Bank and the Company and no other person shall obtain any rights hereunder or be entitled to rely on, or claim reliance upon, this commitment.

The Company acknowledges that the Joining Lender will be acting as an independent contractor on an arms-length basis and not as the Company's fiduciary, advisor or agent.

The Joining Lender understands and agrees that its joining the Commitment Letter and the Joint Lead Arrangers' Fee Letter and providing the Additional Commitment is subject to acceptance by PNC Bank and the Company.

Each of the Joining Lender, PNC Bank and the Company, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant and agree that (i) the next-to-last paragraph of the Joint Lead Arrangers' Fee Letter is hereby amended by deleting the sentence "This Joint Lead Arrangers' Fee Letter shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth

of Pennsylvania (without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction).” and in its stead inserting the sentence “All matters relating to the interpretation, construction, validity and enforcement of this Joint Lead Arrangers’ Fee Letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.”, (ii) the first sentence of the Section titled “Other” of the Term Sheet is hereby amended and restated in its entirety to read “Each of the parties shall waive its right to a trial by jury and shall submit to New York jurisdiction.”, (iii) the Section titled “Governing Law” of the Term Sheet is hereby amended and restated in its entirety to read “State of New York.” and (iv) Paragraph 11(a) of the Commitment Letter is hereby amended and restated in its entirety as follows:

> (a) All matters relating to the interpretation, construction, validity and enforcement of this letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law. Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in New York County, New York. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in New York County, New York.

This letter agreement, the Commitment Letter and the Joint Lead Arrangers’ Fee Letter may not be amended or modified, or any provision hereof waived, except by an instrument in writing signed by the parties hereto or thereto (including each party that has or will join the Commitment Letter and the Joint Lead Arrangers’ Fee Letter). This letter agreement, the Commitment Letter and the Joint Lead Arrangers’ Fee Letter set forth the entire agreement among the parties hereto and supersede all prior understandings, whether written or oral, among the parties hereto with respect to the matters herein and therein. This letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns, provided that this letter may not be assigned by the Company or the Joining Lender and no rights of the Company or the Joining Lender may be transferred and no obligations may be delegated without the prior written consent of PNC Bank. This letter agreement and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The submission to jurisdiction and waiver of jury trial provisions contained in Section 11(a) (as such Section is amended in this letter agreement) of the Commitment Letter are incorporated herein by reference, *mutatis mutandis*. The Company agrees it will not disclose this letter agreement or the contents hereof other than to the extent disclosure of the Commitment Letter and the contents thereof is permitted under Section 7 of the Commitment Letter. This letter agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be

an original and all of which, when taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter agreement by electronic transmission shall be as effective as delivery of an original executed counterpart of this letter agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

FIFTH THIRD BANK

By: /s/ Rachel Bonomo
Name: Rachel Bonomo
Title: Assistant Vice President

Acknowledged and accepted as of the date first above written:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Patrick Kern
Name: Patrick Kern
Title: Managing Director

Acknowledged and accepted as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

JOINDER TO
COMMITMENT LETTER AND JOINT LEAD ARRANGERS' FEE LETTER

May 12, 2014

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222
Attention: Patrick Kern

Re: $800,000,000 Senior Credit Facilities

Ladies and Gentlemen:

We refer to the Commitment Letter (the "**Commitment Letter**") dated April 13, 2014 by and among PNC Bank, National Association, PNC Capital Markets LLC and Koppers Inc. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Commitment Letter.

We are pleased to advise you of Barclays Bank PLC's ("**Joining Lender**") commitment to provide $110 million of the Credit Facilities (the "**Additional Commitment**") on the terms and subject to the conditions set forth in the Commitment Letter. The parties hereto hereby agree that effective as of the date hereof (A) Joining Lender hereby is and shall be deemed to be a Lender and an Additional Commitment Party, and Joining Lender hereby is and shall be deemed to be a joint lead arranger and an Additional Commitment Party, in each case, under the Commitment Letter, (B) the Joining Lender shall have assumed together with PNC Bank and each other Additional Commitment Party that has or will join the Commitment Letter (each, a "**Commitment Party**" and collectively, the "**Commitment Parties**") the several obligations under, and shall perform, comply with and be subject to and bound by, severally with each other Commitment Party, each of the terms, provisions and waivers of the Commitment Letter and (C) the Joining Lender shall be entitled to all of the rights and remedies of a Commitment Party under each of the terms and provisions of the Commitment Letter. The parties hereto hereby further agree that effective as of the date hereof Joining Lender hereby is, and shall be deemed to be, a joint lead arranger under the Joint Lead Arrangers' Fee Letter, and Joining Lender shall

have together with PNC Bank and each other Additional Commitment Party that has or will join the Joint Lead Arranger's Fee Letter (each, a "**Joint Lead Arranger**" and collectively, the "**Joint Lead Arrangers**") the rights and remedies of a Joint Lead Arranger under, each of the terms and provisions of the Joint Lead Arrangers' Fee Letter. For the avoidance of doubt, any determination of Majority Lead Arrangers made under the Joint Lead Arrangers' Fee Letter shall include those Joint Lead Arrangers holding directly or together with their affiliates a majority of the commitments under the Credit Facilities. The Joining Lender acknowledges that it has heretofore received a true and correct copy of the Commitment Letter and the Joint Lead Arrangers' Fee Letter.

As consideration for the Additional Commitment and the agreements of the Joining Lender hereunder, PNC Capital Markets hereby agrees that the Joining Lender shall receive a portion of the Underwriting Fee payable to PNC Capital Markets pursuant to the Joint Lead Arrangers' Fee Letter, in an amount equal to 13.75% of the balance of the Underwriting Fee remaining after deducting (i) fees paid to the Lenders on their allocated commitment at closing and (ii) rebate of such Underwriting Fee as provided in the Joint Lead Arrangers' Fee Letter. Once paid by PNC Capital Markets, except as expressly provided in the Joint Lead Arrangers' Fee Letter, such fee shall not be refundable under any circumstances.

The Company hereby agrees that (X) references to Arranger in clause (a) of Annex 3 to Exhibit A of the Commitment Letter will also be references to the Joining Lender and (Y) the Joining Lender and its affiliates and each of its officers, directors, employees, advisors and agents shall be entitled to the benefits of the second paragraph of Section 5 and Sections 6, 7, 8, 9, 10 and 11 of the Commitment Letter, in each case as if each reference therein to PNC Capital Markets, PNC Bank, we or us included a reference to the Joining Lender.

The Joining Lender acknowledges that it has made its own credit analysis and made its own decision to join the Commitment Letter and Joint Lead Arrangers' Fee Letter and issue the Additional Commitment, independently and without reliance on any other bank. PNC Bank, the Company, and their affiliates shall not have any liability or responsibility to the Joining Lender if the Additional Commitment is not accepted or closed.

This letter is solely for the benefit of the Joining Lender, PNC Bank and the Company and no other person shall obtain any rights hereunder or be entitled to rely on, or claim reliance upon, this commitment.

The Company acknowledges that the Joining Lender will be acting as an independent contractor on an arms-length basis and not as the Company's fiduciary, advisor or agent.

The Joining Lender understands and agrees that its joining the Commitment Letter and the Joint Lead Arrangers' Fee Letter and providing the Additional Commitment is subject to acceptance by PNC Bank and the Company.

Each of the Joining Lender, PNC Bank and the Company, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant and agree that (i) the next-to-last paragraph of the Joint Lead Arrangers' Fee Letter is hereby amended by deleting the sentence "This Joint Lead Arrangers' Fee Letter shall be

governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction).” and in its stead inserting the sentence “All matters relating to the interpretation, construction, validity and enforcement of this Joint Lead Arrangers’ Fee Letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.”, (ii) the first sentence of the Section titled “Other” of the Term Sheet is hereby amended and restated in its entirety to read “Each of the parties shall waive its right to a trial by jury and shall submit to New York jurisdiction.”, (iii) the Section titled “Governing Law” of the Term Sheet is hereby amended and restated in its entirety to read “State of New York.” and (iv) Paragraph 11(a) of the Commitment Letter is hereby amended and restated in its entirety as follows:

> (a) All matters relating to the interpretation, construction, validity and enforcement of this letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law. Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in New York County, New York. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in New York County, New York.

This letter agreement, the Commitment Letter and the Joint Lead Arrangers’ Fee Letter may not be amended or modified, or any provision hereof waived, except by an instrument in writing signed by the parties hereto or thereto (including each party that has or will join the Commitment Letter and the Joint Lead Arrangers’ Fee Letter). This letter agreement, the Commitment Letter and the Joint Lead Arrangers’ Fee Letter set forth the entire agreement among the parties hereto and supersede all prior understandings, whether written or oral, among the parties hereto with respect to the matters herein and therein. This letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns, provided that this letter may not be assigned by the Company or the Joining Lender and no rights of the Company or the Joining Lender may be transferred and no obligations may be delegated without the prior written consent of PNC Bank. This letter agreement and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The submission to jurisdiction and waiver of jury trial provisions contained in Section 11(a) (as such Section is amended in this letter agreement) of the Commitment Letter are incorporated herein by reference, *mutatis mutandis*. The Company agrees it will not disclose this letter agreement or the contents hereof other than to the extent disclosure of the Commitment Letter and the contents thereof is permitted under Section 7 of the Commitment Letter. This letter agreement may be

executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter agreement by electronic transmission shall be as effective as delivery of an original executed counterpart of this letter agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

BARCLAYS BANK PLC

By: /s/ Kevin Crealese
Name: Kevin Crealese
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Patrick Kern
Name: Patrick Kern
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

JOINDER TO
COMMITMENT LETTER AND JOINT LEAD ARRANGERS' FEE LETTER

May 12, 2014

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222
Attention: Patrick Kern

Re: $800,000,000 Senior Credit Facilities

Ladies and Gentlemen:

We refer to the Commitment Letter (the "**Commitment Letter**") dated April 13, 2014 by and among PNC Bank, National Association, PNC Capital Markets LLC and Koppers Inc. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Commitment Letter.

We are pleased to advise you of Citizens Bank of Pennsylvania's ("**Joining Lender**") commitment to provide $110 million of the Credit Facilities (the "**Additional Commitment**") on the terms and subject to the conditions set forth in the Commitment Letter. The parties hereto hereby agree that effective as of the date hereof (A) Joining Lender hereby is and shall be deemed to be a Lender and an Additional Commitment Party, and Joining Lender hereby is and shall be deemed to be a joint lead arranger and an Additional Commitment Party, in each case, under the Commitment Letter, (B) the Joining Lender shall have assumed together with PNC Bank and each other Additional Commitment Party that has or will join the Commitment Letter (each, a "**Commitment Party**" and collectively, the "**Commitment Parties**") the several obligations under, and shall perform, comply with and be subject to and bound by, severally with each other Commitment Party, each of the terms, provisions and waivers of the Commitment Letter and (C) the Joining Lender shall be entitled to all of the rights and remedies of a Commitment Party under each of the terms and provisions of the Commitment Letter. The parties hereto hereby further agree that effective as of the date hereof Joining Lender hereby is, and shall be deemed to be, a joint lead arranger under the Joint Lead Arrangers' Fee Letter, and

Joining Lender shall have together with PNC Bank and each other Additional Commitment Party that has or will join the Joint Lead Arranger's Fee Letter (each, a "**Joint Lead Arranger**" and collectively, the "**Joint Lead Arrangers**") the rights and remedies of a Joint Lead Arranger under, each of the terms and provisions of the Joint Lead Arrangers' Fee Letter. For the avoidance of doubt, any determination of Majority Lead Arrangers made under the Joint Lead Arrangers' Fee Letter shall include those Joint Lead Arrangers holding directly or together with their affiliates a majority of the commitments under the Credit Facilities. The Joining Lender acknowledges that it has heretofore received a true and correct copy of the Commitment Letter and the Joint Lead Arrangers' Fee Letter.

As consideration for the Additional Commitment and the agreements of the Joining Lender hereunder, PNC Capital Markets hereby agrees that the Joining Lender shall receive a portion of the Underwriting Fee payable to PNC Capital Markets pursuant to the Joint Lead Arrangers' Fee Letter, in an amount equal to 13.75% of the balance of the Underwriting Fee remaining after deducting (i) fees paid to the Lenders on their allocated commitment at closing and (ii) rebate of such Underwriting Fee as provided in the Joint Lead Arrangers' Fee Letter. Once paid by PNC Capital Markets, except as expressly provided in the Joint Lead Arrangers' Fee Letter, such fee shall not be refundable under any circumstances.

The Company hereby agrees that (X) references to Arranger in clause (a) of Annex 3 to Exhibit A of the Commitment Letter will also be references to the Joining Lender and (Y) the Joining Lender and its affiliates and each of its officers, directors, employees, advisors and agents shall be entitled to the benefits of the second paragraph of Section 5 and Sections 6, 7, 8, 9, 10 and 11 of the Commitment Letter, in each case as if each reference therein to PNC Capital Markets, PNC Bank, we or us included a reference to the Joining Lender.

The Joining Lender acknowledges that it has made its own credit analysis and made its own decision to join the Commitment Letter and Joint Lead Arrangers' Fee Letter and issue the Additional Commitment, independently and without reliance on any other bank. PNC Bank, the Company, and their affiliates shall not have any liability or responsibility to the Joining Lender if the Additional Commitment is not accepted or closed.

This letter is solely for the benefit of the Joining Lender, PNC Bank and the Company and no other person shall obtain any rights hereunder or be entitled to rely on, or claim reliance upon, this commitment.

The Company acknowledges that the Joining Lender will be acting as an independent contractor on an arms-length basis and not as the Company's fiduciary, advisor or agent.

The Joining Lender understands and agrees that its joining the Commitment Letter and the Joint Lead Arrangers' Fee Letter and providing the Additional Commitment is subject to acceptance by PNC Bank and the Company.

Each of the Joining Lender, PNC Bank and the Company, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant and agree that (i) the next-to-last paragraph of the Joint Lead Arrangers' Fee Letter is hereby amended by deleting the sentence "This Joint Lead Arrangers' Fee Letter shall be

governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction).” and in its stead inserting the sentence “All matters relating to the interpretation, construction, validity and enforcement of this Joint Lead Arrangers’ Fee Letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.”, (ii) the first sentence of the Section titled “Other” of the Term Sheet is hereby amended and restated in its entirety to read “Each of the parties shall waive its right to a trial by jury and shall submit to New York jurisdiction.”, (iii) the Section titled “Governing Law” of the Term Sheet is hereby amended and restated in its entirety to read “State of New York.” and (iv) Paragraph 11(a) of the Commitment Letter is hereby amended and restated in its entirety as follows:

> (a) All matters relating to the interpretation, construction, validity and enforcement of this letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law. Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in New York County, New York. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in New York County, New York.

This letter agreement, the Commitment Letter and the Joint Lead Arrangers’ Fee Letter may not be amended or modified, or any provision hereof waived, except by an instrument in writing signed by the parties hereto or thereto (including each party that has or will join the Commitment Letter and the Joint Lead Arrangers’ Fee Letter). This letter agreement, the Commitment Letter and the Joint Lead Arrangers’ Fee Letter set forth the entire agreement among the parties hereto and supersede all prior understandings, whether written or oral, among the parties hereto with respect to the matters herein and therein. This letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns, provided that this letter may not be assigned by the Company or the Joining Lender and no rights of the Company or the Joining Lender may be transferred and no obligations may be delegated without the prior written consent of PNC Bank. This letter agreement and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The submission to jurisdiction and waiver of jury trial provisions contained in Section 11(a) (as such Section is amended in this letter agreement) of the Commitment Letter are incorporated herein by reference, *mutatis mutandis*. The Company agrees it will not disclose this letter agreement or the contents hereof other than to the extent disclosure of the Commitment Letter and the contents thereof is permitted under Section 7 of the Commitment Letter. This letter agreement may be

executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter agreement by electronic transmission shall be as effective as delivery of an original executed counterpart of this letter agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

CITIZENS BANK OF PENNSYLVANIA

By: /s/ Philip R. Medsger
Name: Philip R. Medsger
Title: Senior Vice President

Acknowledged and accepted
as of the date first above written:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Patrick Kern
Name: Patrick Kern
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

JOINDER TO
COMMITMENT LETTER AND JOINT LEAD ARRANGERS' FEE LETTER

May 9, 2014

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222
Attention: Patrick Kern

Re: $800,000,000 Senior Credit Facilities

Ladies and Gentlemen:

We refer to the Commitment Letter (the "**Commitment Letter**") dated April 13, 2014 by and among PNC Bank, National Association, PNC Capital Markets LLC and Koppers Inc. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Commitment Letter.

We are pleased to advise you of Deutsche Bank AG New York Branch's ("**Joining Lender**") commitment to provide $110 million of the Credit Facilities (the "**Additional Commitment**") on the terms and subject to the conditions set forth in the Commitment Letter. The parties hereto hereby agree that effective as of the date hereof (A) Joining Lender hereby is and shall be deemed to be a Lender and an Additional Commitment Party, (B) Deutsche Bank Securities Inc. ("**Joining Arranger**" and together with Joining Lender, "**we**" or "**Joining Parties**") hereby is and shall be deemed to be a joint lead arranger and an Additional Commitment Party, in each case, under the Commitment Letter, (C) the Joining Parties shall have assumed together with PNC Bank and each other Additional Commitment Party that has or will join the Commitment Letter (each, a "**Commitment Party**" and collectively, the "**Commitment Parties**") the several obligations under, and shall perform, comply with and be subject to and bound by, severally with each other Commitment Party, each of the terms, provisions and waivers of the Commitment Letter and (D) the Joining Parties shall be entitled to all of the rights and remedies of a Commitment Party under each of the terms and provisions of the Commitment Letter. The parties hereto hereby further agree that effective as of the date

hereof Joining Arranger hereby is, and shall be deemed to be, a joint lead arranger under the Joint Lead Arrangers' Fee Letter, and Joining Arranger shall have together with PNC Bank and each other Additional Commitment Party that has or will join the Joint Lead Arranger's Fee Letter (each, a "**Joint Lead Arranger**" and collectively, the "**Joint Lead Arrangers**") the rights and remedies of a Joint Lead Arranger under, each of the terms and provisions of the Joint Lead Arrangers' Fee Letter. For the avoidance of doubt, any determination of Majority Lead Arrangers made under the Joint Lead Arrangers' Fee Letter shall include those Joint Lead Arrangers holding directly or together with their affiliates a majority of the commitments under the Credit Facilities. The Joining Parties acknowledge that they have heretofore received a true and correct copy of the Commitment Letter and the Joint Lead Arrangers' Fee Letter.

As consideration for the Additional Commitment and the agreements of the Joining Lender hereunder, PNC Capital Markets hereby agrees that the Joining Lender shall receive a portion of the Underwriting Fee payable to PNC Capital Markets pursuant to the Joint Lead Arrangers' Fee Letter, in an amount equal to 13.75% of the balance of the Underwriting Fee remaining after deducting (i) fees paid to the Lenders on their allocated commitment at closing and (ii) rebate of such Underwriting Fee as provided in the Joint Lead Arrangers' Fee Letter. Once paid by PNC Capital Markets, except as expressly provided in the Joint Lead Arrangers' Fee Letter, such fee shall not be refundable under any circumstances.

The Company hereby agrees that (X) references to Arranger in clause (a) of Annex 3 to Exhibit A of the Commitment Letter will also be references to the Joining Parties and (Y) the Joining Parties and their affiliates and each of their respective officers, directors, employees, advisors and agents shall be entitled to the benefits of the second paragraph of Section 5 and Sections 6, 7, 8, 9, 10 and 11 of the Commitment Letter, in each case as if each reference therein to PNC Capital Markets, PNC Bank, we or us included a reference to the Joining Parties.

The Joining Parties acknowledge that they have made their own credit analysis and made their own decision to join the Commitment Letter and Joint Lead Arrangers' Fee Letter and issue the Additional Commitment, independently and without reliance on any other bank. PNC Bank, the Company, and their affiliates shall not have any liability or responsibility to the Joining Parties if the Additional Commitment is not accepted or closed.

This letter is solely for the benefit of the Joining Parties, PNC Bank and the Company and no other person shall obtain any rights hereunder or be entitled to rely on, or claim reliance upon, this commitment.

The Company acknowledges that each of the Joining Parties will be acting as an independent contractor on an arms-length basis and not as the Company's fiduciary, advisor or agent.

The Joining Parties understand and agree that their joining the Commitment Letter and the Joint Lead Arrangers' Fee Letter and the Joining Lender providing the Additional Commitment is subject to acceptance by PNC Bank and the Company.

Each of the Joining Parties, PNC Bank and the Company, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant

and agree that (i) the next-to-last paragraph of the Joint Lead Arrangers' Fee Letter is hereby amended by deleting the sentence "This Joint Lead Arrangers' Fee Letter shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction)." and in its stead inserting the sentence "All matters relating to the interpretation, construction, validity and enforcement of this Joint Lead Arrangers' Fee Letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.", (ii) the first sentence of the Section titled "Other" of the Term Sheet is hereby amended and restated in its entirety to read "Each of the parties shall waive its right to a trial by jury and shall submit to New York jurisdiction.", (iii) the Section titled "Governing Law" of the Term Sheet is hereby amended and restated in its entirety to read "State of New York." and (iv) Paragraph 11(a) of the Commitment Letter is hereby amended and restated in its entirety as follows:

> (a) All matters relating to the interpretation, construction, validity and enforcement of this letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law. Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in New York County, New York. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in New York County, New York.

This letter agreement, the Commitment Letter and the Joint Lead Arrangers' Fee Letter may not be amended or modified, or any provision hereof waived, except by an instrument in writing signed by the parties hereto or thereto (including each party that has or will join the Commitment Letter and the Joint Lead Arrangers' Fee Letter). This letter agreement, the Commitment Letter and the Joint Lead Arrangers' Fee Letter set forth the entire agreement among the parties hereto and supersede all prior understandings, whether written or oral, among the parties hereto with respect to the matters herein and therein. This letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns, provided that this letter may not be assigned by the Company or the Joining Parties and no rights of the Company or the Joining Parties may be transferred and no obligations may be delegated without the prior written consent of PNC Bank. This letter agreement and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The submission to jurisdiction and waiver of jury trial provisions contained in Section 11(a) (as such Section is amended in this letter agreement) of the Commitment Letter are incorporated herein by reference, *mutatis mutandis*. The Company agrees it will not disclose this letter agreement or the contents hereof other than to

the extent disclosure of the Commitment Letter and the contents thereof is permitted under Section 7 of the Commitment Letter. This letter agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter agreement by electronic transmission shall be as effective as delivery of an original executed counterpart of this letter agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Enrique Landaeta
Name: Enrique Landaeta
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Robert M. Wood, Jr.
Name: Robert M. Wood, Jr.
Title: Director

DEUTSCHE BANK SECURITIES INC.

By: /s/ Jackson Merchant
Name: Jackson Merchant
Title: Managing Director

DEUTSCHE BANK SECURITIES INC.

By: /s/ Michael Busam
Name: Michael Busam
Title: Director

Acknowledged and accepted
as of the date first above written:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Patrick Kern
Name: Patrick Kern
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

JOINDER TO
COMMITMENT LETTER AND JOINT LEAD ARRANGERS' FEE LETTER

May 12, 2014

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222
Attention: Patrick Kern

Re: $800,000,000 Senior Credit Facilities

Ladies and Gentlemen:

We refer to the Commitment Letter (the "**Commitment Letter**") dated April 13, 2014 by and among PNC Bank, National Association, PNC Capital Markets LLC and Koppers Inc. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Commitment Letter.

We are pleased to advise you of Wells Fargo Bank, NA's ("**Joining Lender**") commitment to provide $110 million of the Credit Facilities (the "**Additional Commitment**") on the terms and subject to the conditions set forth in the Commitment Letter. The parties hereto hereby agree that effective as of the date hereof (A) Joining Lender hereby is and shall be deemed to be a Lender and an Additional Commitment Party, (B) Wells Fargo Securities, LLC ("**Joining Arranger**" and together with Joining Lender, "**we**" or "**Joining Parties**") Joining Lender hereby is and shall be deemed to be a joint lead arranger and an Additional Commitment Party, in each case, under the Commitment Letter, (C) the Joining Parties shall have assumed together with PNC Bank and each other Additional Commitment Party that has or will join the Commitment Letter (each, a "**Commitment Party**" and collectively, the "**Commitment Parties**") the several obligations under, and shall perform, comply with and be subject to and bound by, severally with each other Commitment Party, each of the terms, provisions and waivers of the Commitment Letter and (D) the Joining Parties shall be entitled to all of the rights and remedies of a Commitment Party under each of the terms and provisions of the Commitment Letter. The parties hereto hereby further agree that effective as of the date hereof Joining

Arranger hereby is, and shall be deemed to be, a joint lead arranger under the Joint Lead Arrangers' Fee Letter, and Joining Arranger shall have together with PNC Bank and each other Additional Commitment Party that has or will join the Joint Lead Arranger's Fee Letter (each, a "**Joint Lead Arranger**" and collectively, the "**Joint Lead Arrangers**") the rights and remedies of a Joint Lead Arranger under, each of the terms and provisions of the Joint Lead Arrangers' Fee Letter. For the avoidance of doubt, any determination of Majority Lead Arrangers made under the Joint Lead Arrangers' Fee Letter shall include those Joint Lead Arrangers holding directly or together with their affiliates a majority of the commitments under the Credit Facilities. The Joining Parties acknowledge that they have heretofore received a true and correct copy of the Commitment Letter and the Joint Lead Arrangers' Fee Letter.

As consideration for the Additional Commitment and the agreements of the Joining Lender hereunder, PNC Capital Markets hereby agrees that the Joining Lender shall receive a portion of the Underwriting Fee payable to PNC Capital Markets pursuant to the Joint Lead Arrangers' Fee Letter, in an amount equal to 13.75% of the balance of the Underwriting Fee remaining after deducting (i) fees paid to the Lenders on their allocated commitment at closing and (ii) rebate of such Underwriting Fee as provided in the Joint Lead Arrangers' Fee Letter. Once paid by PNC Capital Markets, except as expressly provided in the Joint Lead Arrangers' Fee Letter, such fee shall not be refundable under any circumstances.

The Company hereby agrees that (X) references to Arranger in clause (a) of Annex 3 to Exhibit A of the Commitment Letter will also be references to the Joining Parties and (Y) the Joining Parties and their affiliates and each of their respective officers, directors, employees, advisors and agents shall be entitled to the benefits of the second paragraph of Section 5 and Sections 6, 7, 8, 9, 10 and 11 of the Commitment Letter, in each case as if each reference therein to PNC Capital Markets, PNC Bank, we or us included a reference to the Joining Parties.

The Joining Parties acknowledge that they have made their own credit analysis and made their own decision to join the Commitment Letter and Joint Lead Arrangers' Fee Letter and issue the Additional Commitment, independently and without reliance on any other bank. PNC Bank, the Company, and their affiliates shall not have any liability or responsibility to the Joining Parties if the Additional Commitment is not accepted or closed.

This letter is solely for the benefit of the Joining Parties, PNC Bank and the Company and no other person shall obtain any rights hereunder or be entitled to rely on, or claim reliance upon, this commitment.

The Company acknowledges that each of the Joining Parties will be acting as an independent contractor on an arms-length basis and not as the Company's fiduciary, advisor or agent.

The Joining Parties understand and agree that their joining the Commitment Letter and the Joint Lead Arrangers' Fee Letter and the Joining Lender providing the Additional Commitment is subject to acceptance by PNC Bank and the Company.

Each of the Joining Parties, PNC Bank and the Company, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant

and agree that (i) the next-to-last paragraph of the Joint Lead Arrangers' Fee Letter is hereby amended by deleting the sentence "This Joint Lead Arrangers' Fee Letter shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction)." and in its stead inserting the sentence "All matters relating to the interpretation, construction, validity and enforcement of this Joint Lead Arrangers' Fee Letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.", (ii) the first sentence of the Section titled "Other" of the Term Sheet is hereby amended and restated in its entirety to read "Each of the parties shall waive its right to a trial by jury and shall submit to New York jurisdiction.", (iii) the Section titled "Governing Law" of the Term Sheet is hereby amended and restated in its entirety to read "State of New York." and (iv) Paragraph 11(a) of the Commitment Letter is hereby amended and restated in its entirety as follows:

> (a) All matters relating to the interpretation, construction, validity and enforcement of this letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law. Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in New York County, New York. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in New York County, New York.

This letter agreement, the Commitment Letter and the Joint Lead Arrangers' Fee Letter may not be amended or modified, or any provision hereof waived, except by an instrument in writing signed by the parties hereto or thereto (including each party that has or will join the Commitment Letter and the Joint Lead Arrangers' Fee Letter). This letter agreement, the Commitment Letter and the Joint Lead Arrangers' Fee Letter set forth the entire agreement among the parties hereto and supersede all prior understandings, whether written or oral, among the parties hereto with respect to the matters herein and therein. This letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns, provided that this letter may not be assigned by the Company or the Joining Parties and no rights of the Company or the Joining Parties may be transferred and no obligations may be delegated without the prior written consent of PNC Bank. This letter agreement and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The submission to jurisdiction and waiver of jury trial provisions contained in Section 11(a) (as such Section is amended in this letter agreement) of the Commitment Letter are incorporated herein by reference, *mutatis mutandis*. The Company agrees it will not disclose this letter agreement or the contents hereof other than to

the extent disclosure of the Commitment Letter and the contents thereof is permitted under Section 7 of the Commitment Letter. This letter agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter agreement by electronic transmission shall be as effective as delivery of an original executed counterpart of this letter agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

WELLS FARGO BANK, NA

By: /s/ J. Barrett Donovan
Name: J. Barrett Donovan
Title: Senior Vice President

WELLS FARGO SECURITIES, LLC

By: /s/ Jeffrey M. Foley
Name: Jeffrey M. Foley
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Patrick Kern
Name: Patrick Kern
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

JOINDER TO
COMMITMENT LETTER AND JOINT LEAD ARRANGERS' FEE LETTER

May 9, 2014

PNC Capital Markets LLC
Three PNC Plaza
225 Fifth Avenue, 5th Floor
Pittsburgh, Pennsylvania 15222
Attention: Patrick Kern

Re: $800,000,000 Senior Credit Facilities

Ladies and Gentlemen:

We refer to the Commitment Letter (the "**Commitment Letter**") dated April 13, 2014 by and among PNC Bank, National Association, PNC Capital Markets LLC and Koppers Inc. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Commitment Letter.

We are pleased to advise you of Bank of America N.A.'s ("**Joining Lender**") commitment to provide $110 million of the Credit Facilities (the "**Additional Commitment**") on the terms and subject to the conditions set forth in the Commitment Letter. The parties hereto hereby agree that effective as of the date hereof (A) Joining Lender hereby is and shall be deemed to be a Lender and an Additional Commitment Party, (B) Merrill Lynch Pierce Fenner & Smith Inc. ("**Joining Arranger**" and together with Joining Lender, "**we**" or "**Joining Parties**") hereby is and shall be deemed to be a joint lead arranger and an Additional Commitment Party, in each case, under the Commitment Letter, (C) the Joining Parties shall have assumed together with PNC Bank and each other Additional Commitment Party that has or will join the Commitment Letter (each, a "**Commitment Party**" and collectively, the "**Commitment Parties**") the several obligations under, and shall perform, comply with and be subject to and bound by, severally with each other Commitment Party, each of the terms, provisions and waivers of the Commitment Letter and (D) the Joining Parties shall be entitled to all of the rights and remedies of a Commitment Party under each of the terms and provisions of the Commitment Letter. The parties hereto hereby further agree that effective as of the date hereof Joining

Arranger hereby is, and shall be deemed to be, a joint lead arranger under the Joint Lead Arrangers' Fee Letter, and Joining Arranger shall have together with PNC Bank and each other Additional Commitment Party that has or will join the Joint Lead Arranger's Fee Letter (each, a "**Joint Lead Arranger**" and collectively, the "**Joint Lead Arrangers**") the rights and remedies of a Joint Lead Arranger under, each of the terms and provisions of the Joint Lead Arrangers' Fee Letter. For the avoidance of doubt, any determination of Majority Lead Arrangers made under the Joint Lead Arrangers' Fee Letter shall include those Joint Lead Arrangers holding directly or together with their affiliates a majority of the commitments under the Credit Facilities. The Joining Parties acknowledge that they have heretofore received a true and correct copy of the Commitment Letter and the Joint Lead Arrangers' Fee Letter.

As consideration for the Additional Commitment and the agreements of the Joining Lender hereunder, PNC Capital Markets hereby agrees that the Joining Lender shall receive a portion of the Underwriting Fee payable to PNC Capital Markets pursuant to the Joint Lead Arrangers' Fee Letter, in an amount equal to 13.75% of the balance of the Underwriting Fee remaining after deducting (i) fees paid to the Lenders on their allocated commitment at closing and (ii) rebate of such Underwriting Fee as provided in the Joint Lead Arrangers' Fee Letter. Once paid by PNC Capital Markets, except as expressly provided in the Joint Lead Arrangers' Fee Letter, such fee shall not be refundable under any circumstances.

The Company hereby agrees that (X) references to Arranger in clause (a) of Annex 3 to Exhibit A of the Commitment Letter will also be references to the Joining Parties and (Y) the Joining Parties and their affiliates and each of their respective officers, directors, employees, advisors and agents shall be entitled to the benefits of the second paragraph of Section 5 and Sections 6, 7, 8, 9, 10 and 11 of the Commitment Letter, in each case as if each reference therein to PNC Capital Markets, PNC Bank, we or us included a reference to the Joining Parties.

The Joining Parties acknowledge that they have made their own credit analysis and made their own decision to join the Commitment Letter and Joint Lead Arrangers' Fee Letter and issue the Additional Commitment, independently and without reliance on any other bank. PNC Bank, the Company, and their affiliates shall not have any liability or responsibility to the Joining Parties if the Additional Commitment is not accepted or closed.

This letter is solely for the benefit of the Joining Parties, PNC Bank and the Company and no other person shall obtain any rights hereunder or be entitled to rely on, or claim reliance upon, this commitment.

The Company acknowledges that each of the Joining Parties will be acting as an independent contractor on an arms-length basis and not as the Company's fiduciary, advisor or agent.

The Joining Parties understand and agree that their joining the Commitment Letter and the Joint Lead Arrangers' Fee Letter and the Joining Lender providing the Additional Commitment is subject to acceptance by PNC Bank and the Company.

Each of the Joining Parties, PNC Bank and the Company, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant

and agree that (i) the next-to-last paragraph of the Joint Lead Arrangers' Fee Letter is hereby amended by deleting the sentence "This Joint Lead Arrangers' Fee Letter shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to the principles of conflicts of laws thereof, to the extent that the same are not mandatorily applicable by statute and would require or permit the application of the law of another jurisdiction)." and in its stead inserting the sentence "All matters relating to the interpretation, construction, validity and enforcement of this Joint Lead Arrangers' Fee Letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law.", (ii) the first sentence of the Section titled "Other" of the Term Sheet is hereby amended and restated in its entirety to read "Each of the parties shall waive its right to a trial by jury and shall submit to New York jurisdiction.", (iii) the Section titled "Governing Law" of the Term Sheet is hereby amended and restated in its entirety to read "State of New York." and (iv) Paragraph 11(a) of the Commitment Letter is hereby amended and restated in its entirety as follows:

> (a) All matters relating to the interpretation, construction, validity and enforcement of this letter shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, including Section 5-1401 of the New York General Obligations Law. Each party hereto consents to the nonexclusive jurisdiction and venue of the state or federal district courts located in New York County, New York. Each party hereto irrevocably waives, to the fullest extent permitted by applicable law, (i) any right it may have to a trial by jury in any legal proceeding arising out of or relating to the Commitment Letter, the Transactions or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) and (ii) any objection that it may now or hereafter have to the laying of venue of any such legal proceeding in the state or federal courts located in New York County, New York.

This letter agreement, the Commitment Letter and the Joint Lead Arrangers' Fee Letter may not be amended or modified, or any provision hereof waived, except by an instrument in writing signed by the parties hereto or thereto (including each party that has or will join the Commitment Letter and the Joint Lead Arrangers' Fee Letter). This letter agreement, the Commitment Letter and the Joint Lead Arrangers' Fee Letter set forth the entire agreement among the parties hereto and supersede all prior understandings, whether written or oral, among the parties hereto with respect to the matters herein and therein. This letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns, provided that this letter may not be assigned by the Company or the Joining Parties and no rights of the Company or the Joining Parties may be transferred and no obligations may be delegated without the prior written consent of PNC Bank. This letter agreement and the rights and duties of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. The submission to jurisdiction and waiver of jury trial provisions contained in Section 11(a) (as such Section is amended in this letter agreement) of the Commitment Letter are incorporated herein by reference, *mutatis mutandis*. The Company agrees it will not disclose this letter agreement or the contents hereof other than to

the extent disclosure of the Commitment Letter and the contents thereof is permitted under Section 7 of the Commitment Letter. This letter agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter. Delivery of an executed counterpart of a signature page to this letter agreement by electronic transmission shall be as effective as delivery of an original executed counterpart of this letter agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

BANK OF AMERICA N.A.

By: /s/ Joseph Flynn
Name: Joseph Flynn
Title: Senior Vice President

MERRILL LYNCH PIERCE FENNER & SMITH INC.

By: /s/ Henry F. Bullitt
Name: Henry F. Bullitt
Title: Senior Vice President

Acknowledged and accepted
as of the date first above written:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Tracy J. DeCock
Name: Tracy J. DeCock
Title: Senior Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Patrick Kern
Name: Patrick Kern
Title: Managing Director

Acknowledged and accepted
as of the date first above written:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

KOPPERS HOLDINGS INC.
RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions, except ratios)

	2009	*2010*	*2011*	*2012*	*2013*	*Six months ended June 30, 2014*
Earnings:						
Income (loss) from continuing operations before taxes	$ 35.5	$ 73.8	$52.5	$100.6	$ 77.0	$ 0.3
Deduct: Equity earnings net of dividends	(0.8)	0.0	0.2	0.8	0.8	(0.4)
Deduct: Pre-tax income of noncontrolling interests	3.4	0.5	0.9	2.0	0.0	0.0
Add: Fixed charges	71.6	40.3	40.8	41.6	39.4	21.2
Earnings as defined	$104.5	$113.6	$92.2	$139.4	$115.6	$ 21.9
Fixed charges:						
Interest expensed	$ 58.7	$ 27.1	$27.2	$ 27.9	$ 26.8	$ 13.4
Other	0.5	0.0	0.0	0.0	0.4	1.3
Rents	41.5	42.5	43.8	44.3	39.4	20.9
Interest factor	31%	31%	31%	31%	31%	31%
Estimated interest component of rent	12.9	13.2	13.6	13.7	12.2	6.5
Total fixed charges	$ 72.1	$ 40.3	$40.8	$ 41.6	$ 39.4	$ 21.2
Ratio of earnings to fixed charges	**1.45**	**2.82**	**2.26**	**3.35**	**2.93**	**1.03**

CERTIFICATIONS

I, Walter W. Turner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Koppers Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-5(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2014

/s/ WALTER W. TURNER
Walter W. Turner
President and Chief Executive Officer

CERTIFICATIONS

I, Leroy M. Ball, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Koppers Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-5(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2014

/s/ LEROY M. BALL
Leroy M. Ball
Chief Operating Officer and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Koppers Holdings Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WALTER W. TURNER
Walter W. Turner
Chief Executive Officer

August 7, 2014

/s/ LEROY M. BALL
Leroy M. Ball
Chief Operating Officer and Chief Financial Officer

August 7, 2014