P99000103486

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP ☐ WAIT ☐ MAIL

(Business Entity Name)

(Document Number)

Certified Copies ✓ Certificates of Status _____

Special Instructions to Filing Officer:

Office Use Only

400183783114

06/21/11--01006--002 **78.75

FILED
11 JUN 21 PM 2:25
SECRETARY OF STATE
TALLAHASSEE FLORIDA

Merger
Tevis
6-21-11

GOODWIN | PROCTER

Amber R.E. Dolman
617.570.1538
adolman@goodwinprocter.com

Goodwin Procter LLP
Counselors at Law
Exchange Place
Boston, MA 02109
T: 617.570.1000
F: 617 523.1231

June 20, 2011

By Federal Express

Karon Beyer
Department of State
Division of Corporations
2661 Executive Center Circle
Tallahassee, Florida 32301
Tel: 850-245-6935

Dear Karon:

Enclosed please find (1) the original Articles of Merger with respect to the merger of DEI Holdings, Inc., a Florida corporation, and Viper Acquisition Corporation, a Florida corporation (the "Articles"), (2) a copy of the Articles and (3) a cheque in the amount of $78.75 in payment of the filing fee for the Articles and for receipt of a certified copy of the Articles.

Please note that the signature of DEI Holdings, Inc. will follow in a separate package. If you do not receive both packages, please call me at 617-570-1538.

As discussed, please do not file the Articles until you have received confirmation from me or from Seth Greenstein of Goodwin Procter LLP. Once the Articles have been filed, please forward evidence of filing (including a copy of the acknowledgement letter from the Florida Secretary of State and a certified copy of the Articles) by fax to 617-523-1231, Attention: Amber Dolman. The original evidence may follow in the enclosed self-addressed envelope.

Sincerely,

Amber R.E. Dolman

FILED

11 JUN 21 PM 2:25

SECRETARY OF STATE
TALLAHASSEE FLORIDA

ARTICLES OF MERGER

OF

VIPER ACQUISITION CORPORATION

(a Florida corporation)

with and into

DEI HOLDINGS, INC.

(a Florida corporation)

(UNDER §607.1105 OF THE FLORIDA

BUSINESS CORPORATION ACT)

Pursuant to Section 607.1105 of the Florida Business Corporation Act, DEI Holdings, Inc., a Florida corporation (the "Company"), and Viper Acquisition Corporation, a Florida corporation ("MergerCo"), hereby adopt the following Articles of Merger:

1. The Agreement and Plan of Merger, dated as of May 12, 2011, as amended (the "Plan of Merger"), between the Company, Viper Holdings Corporation, a Delaware corporation and the sole shareholder of MergerCo, and MergerCo, is attached hereto as Exhibit A and incorporated herein by reference thereto.

2. The Plan of Merger, providing for the merger of MergerCo with and into the Company, with the Company continuing as the surviving corporation (the "Merger"), was adopted and approved by: (a) all of the directors of MergerCo pursuant to a unanimous written consent of the directors of MergerCo dated May 12, 2011, (b) the sole shareholder of MergerCo pursuant to a unanimous written consent of the sole shareholder of MergerCo dated May 12, 2011, (c) all of the directors of the Company at a duly called meeting of the directors of the Company held on May 9, 2011 and (d) the holders of the majority of the outstanding common stock, par value $0.01 per share, of the Company at a duly called special meeting of the shareholders of the Company held on June 20, 2011. The adoption and approval of the Plan of Merger by such holders of the Company's common stock was sufficient to approve the Plan of Merger.

3. The Merger shall become effective upon the filing of these Articles of Merger with the Department of State of the State of Florida.

IN WITNESS WHEREOF, these Articles of Merger have been executed by a duly authorized officer of each of the Company and MergerCo as of this 21st day of June, 2011.

COMPANY

DEI HOLDINGS, INC.

By: _____

Name: James E. Minarik

Title: President and Chief Executive Officer

MERGERCO

VIPER ACQUISITION CORPORATION

By: _____

Name: Michael W. Choe

Title: President

IN WITNESS WHEREOF, these Articles of Merger have been executed by a duly authorized officer of each of the Company and MergerCo as of this 21 day of June, 2011.

COMPANY

DEI HOLDINGS, INC.

By: _____

Name: James E. Minarik

Title: President and Chief Executive Officer

MERGERCO

VIPER ACQUISITION CORPORATION

By: _____

Name: Michael W. Choe

Title: President

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

by and among

DEI HOLDINGS, INC.,

VIPER HOLDINGS CORPORATION,

and

VIPER ACQUISITION CORPORATION

Dated: May 12, 2011

Table of Contents

EXHIBITS

Exhibit A	-	Voting Agreement
Exhibit B	-	Data Room Contents
Exhibit C	-	Letter of Transmittal
Exhibit D	-	Optionholder Acknowledgement
Exhibit E	-	Limited Guaranty
Exhibit F		FIRPTA Certificate

ANNEXES

Annex 1	-	Per Share Consideration Calculation

EXHIBIT A

PLAN OF MERGER

[*Attach Agreement and Plan of Merger*]

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of the 12th day of May, 2011, by and among DEI Holdings, Inc., a Florida corporation (the "Company"), Viper Holdings Corporation, a Delaware corporation ("Buyer"), and Viper Acquisition Corporation, a Florida corporation ("MergerCo," and, together with Buyer, the "Buyer Parties"). Certain capitalized terms used herein are defined in Section 1.1.

RECITALS

WHEREAS, Buyer, MergerCo and the Company wish to effect a business combination through a merger (the "Merger") of MergerCo with and into the Company on the terms and conditions set forth in this Agreement and in accordance with the Florida Business Corporations Act (as amended, the "FBCA");

WHEREAS, the Board of Directors of the Company (the "Company Board") has approved this Agreement, the Merger and the other transactions contemplated by this Agreement and recommended that the Stockholders approve this Agreement, the Merger and the other transactions contemplated by this Agreement;

WHEREAS, the Board of Directors of the MergerCo has approved this Agreement, the Merger and the other transactions contemplated by this Agreement and recommended that its sole stockholder approve this Agreement, the Merger and the other transactions contemplated by this Agreement; and

WHEREAS, in order to induce Buyer and MergerCo to enter into this Agreement, the Trivest Stockholders have executed a Voting Agreement in the form attached as Exhibit A hereto (the "Voting Agreement").

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

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1. Definitions. As used in this Agreement, the following terms will have the respective meanings set forth below:

"Acceptable Confidentiality Agreement" shall have the meaning set forth in Section 5.3(a).

"Acquisition Proposal" means, other than that contemplated by this Agreement, any inquiry, indication of interest, proposal or offer for any transaction or series of related transactions involving (i) a transaction pursuant to which any Person (or "group" of Persons as used in Rule 13d-5(b) of the Securities Exchange Act of 1934, as amended), directly or indirectly, acquires or would acquire beneficial ownership, or rights to acquire beneficial

ownership, of twenty percent (20%) or more of the outstanding equity of the Company or any of its Subsidiaries, whether from the Company, any of its Subsidiaries or otherwise, and whether of a type contemplated by prior proposals or otherwise, (ii) a merger, reorganization, share exchange, consolidation or other business combination involving the Company and/or any of its Subsidiaries, (iii) a transaction pursuant to which any Person (or such group of Persons) acquires or would acquire control of all or any portion of the assets (including for this purpose the outstanding equity securities of the Company or any Subsidiary) of the Company or any of its Subsidiaries representing more than twenty percent (20%) of the fair market value of all the assets, or more than twenty percent (20%) of the net revenues, of the Company and its Subsidiaries, taken as a whole, immediately prior to such transaction, (iv) any other consolidation, business combination, recapitalization, capital restructuring, plan of reorganization or similar transaction involving the Company or any of its Subsidiaries, or (v) any other transaction (including a transaction of the type referenced in clauses (i) through (iv) that does not meet the requirements thereof) that is conditioned or predicated on the transactions contemplated by this Agreement not being completed in accordance with the terms of this Agreement, or is intended or is reasonably expected to result in such transactions not being so completed.

"Adjustment Amount" means ($169,376,329).

"Adjusted Transaction Expenses" means the excess of the Transaction Expenses over the Transaction Expenses Tax Benefit.

"Adverse Recommendation" shall have the meaning set forth in Section 5.3(d).

"Affiliate" means any Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with or of, such entity. The term "Control" (including, with correlative meaning, the terms "Controlled by" and "under common Control with"), as used with respect to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall have the meaning set forth in the Preamble.

"Aggregate Option Exercise Amount" shall mean an amount, as certified by the Company to the reasonable satisfaction of Buyer, equal to the aggregate amount of the exercise prices of all Vested Options outstanding as of the Effective Time.

"Aggregate Option Proceeds" means the aggregate amount of Option Consideration payable to all Optionholders pursuant to Section 2.7.

"Aggregate Stockholder Proceeds" shall mean an amount equal to (i) the Per Share Consideration, multiplied by (ii) the number of issued and outstanding shares of Common Stock immediately prior to the Effective Time, other than Dissenting Shares.

"Alternative Financing" shall have the meaning set forth in Section 5.12(c).

"Appraisal Rights Provisions" shall have the meaning set forth in Section 2.10(a).

"Articles of Merger" shall have the meaning set forth in Section 2.2.

"Benefit Plan" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, severance, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former employees of the Company or any of its Subsidiaries with respect to which the Company or any of its Subsidiaries has any obligations, including any "employee benefit plan" as such term is defined under Section 3(3) of ERISA, whether oral, funded or unfunded, insured or self-insured, registered or unregistered (and including any that have been frozen or terminated).

"Benefits Affiliate" shall have the meaning set forth in Section 3.13(m)(i).

"Book-Entry Share" shall have the meaning set forth in Section 2.6(c).

"Break-Up Fee" shall have the meaning set forth in Section 8.3(a).

"Business Day" means any calendar day other than a Saturday, Sunday or calendar day on which banking institutions in New York City, New York are authorized or obligated by Law to be closed.

"Buyer" shall have the meaning set forth in the Preamble.

"Buyer Parties" shall have the meaning set forth in the Preamble.

"Buyer Plans" shall have the meaning set forth in Section 5.5.

"Buyer Termination Fee" shall have the meaning set forth in Section 8.4.

"Closing" shall have the meaning set forth in Section 2.4.

"Closing Date" shall have the meaning set forth in Section 2.4.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment Letters" shall have the meaning set forth in Section 4.6(a).

"Common Stock" shall have the meaning set forth in Section 2.6(c).

"Common Stock Certificate" shall have the meaning set forth in Section 2.6(c).

"Company" shall have the meaning set forth in the Preamble.

"Company Board" shall have the meaning set forth in the recitals hereto.

"Company Copyrights" shall have the meaning set forth in Section 3.8(a).

"Company Indemnitee" shall have the meaning set forth in Section 5.9(a).

"Company Intellectual Property Assets" shall have the meaning set forth in Section 3.8(c)(i).

"Company Marks" shall have the meaning set forth in Section 3.8(a).

"Company Material Adverse Effect" means (a) a material adverse effect on or a material adverse change to the business, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole or (b) a material adverse effect on or a material adverse change in or to the ability of the Company to consummate the transactions contemplated by this Agreement or to perform its obligations under this Agreement, other than, as applied to clause (a) only, an effect or change resulting from any one or more of the following: (i) changes to the industry in which the Company and its Subsidiaries operate that do not disproportionately affect and would not be reasonably expected to disproportionately affect the Company and its Subsidiaries, taken as a whole, relative to any companies of similar size and scope in the same or similar industry as the Company and its Subsidiaries, (ii) except for purposes of the Required Consents and Waivers, the announcement or disclosure of the transactions contemplated herein, (iii) general economic, regulatory or political conditions or changes provided no such conditions or changes disproportionately affect and would not be reasonably expected to disproportionately affect the Company and its Subsidiaries, taken as a whole, relative to any companies of similar size and scope in the same or similar industry as the Company and its Subsidiaries, (iv) military action or any act of terrorism, (v) changes in applicable Law or GAAP after the date hereof provided no such changes disproportionately affect and would not be reasonably expected to disproportionately affect the Company and its Subsidiaries, taken as a whole, relative to any companies of similar size and scope in the same or similar industry as the Company and its Subsidiaries, or (vi) except for purposes of the Required Consents and Waivers, compliance with the terms of this Agreement.

"Company Patents" shall have the meaning set forth in Section 3.8(a).

"Company Recommendation" shall have the meaning set forth in Section 5.11(c).

"Company Registered IP" shall have the meaning set forth in Section 3.8(b)(ii).

"Company Trade Secrets" shall have the meaning set forth in Section 3.8(b)(x).

"Competition Authority" means any Governmental Authority that has authority to review mergers, acquisitions, joint ventures, and other combinations of businesses pursuant to a Competition Law, including the FTC and DOJ.

"Competition Law" means any federal, state, or foreign merger review legislation, implementing rules and regulations, guidelines, and related materials, including the HSR Act.

"Confidentiality Agreement" shall have the meaning set forth in Section 5.4.

"Contracts" means all contracts, agreements, bonds, notes, indentures, mortgages, debt instruments, licenses (or other agreements concerning Intellectual Property Assets), sublicenses, purchase orders (except for purchase orders issued under agreements constituting Contracts under this definition), franchises, leases, subleases and other instruments or obligations of any

kind, written or oral (including any amendments and other modifications thereto), to which a Person is a party or that are binding upon such Person or such Person's assets.

"Copyrights" shall have the meaning set forth in Section 3.8(c)(ii).

"Covered Employees" shall have the meaning set forth in Section 5.5.

"Customers" shall have the meaning set forth in Section 3.16.

"D&O Tail Policy" shall have the meaning set forth in Section 5.9(b).

"DEI Canada" means Directed Electronics Canada, Inc., a corporation incorporated under the laws of Canada and an indirect wholly-owned Subsidiary of the Company.

"DEI Deferred Compensation Liabilities" means all liabilities of the Company and its Subsidiaries under the Nonqualified Deferred Compensation Plan (also referred to as the Executive Nonqualified Excess Plan) listed on Schedule 3.13(a).

"DOJ" shall mean the United States Department of Justice.

"Data Room" means any electronic data room established by the Company or its Representatives in connection with the transactions contemplated by this Agreement to which Buyer had continuous access during the period beginning ten (10) Business Days prior to the date of this Agreement and ending on the Closing Date.

"Debt Commitment Letter" shall have the meaning set forth in Section 4.6(a).

"Delivered" means (i) delivered to Buyer, MergerCo or any of their Affiliates or Representatives or (ii) posted at least two (2) Business Days prior to the date of this Agreement (and not subsequently removed or modified) in a Data Room, a full and complete list of which is set forth on Exhibit B.

"Disclosure Schedules" means the disclosure schedules to this Agreement.

"Dissenting Share Payments" means the amount payable in respect of all Dissenting Shares plus the amount of all other costs or expenses (including specifically, but without limitation, attorneys' fees, costs and expenses in connection with any action or proceeding or in connection with any investigation) in respect of such Dissenting Shares.

"Dissenting Shares" shall have the meaning set forth in Section 2.10(a).

"EAR" shall have the meaning set forth in Section 3.23(a)(i).

"Effective Time" shall have the meaning set forth in Section 2.2.

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

"Environmental Laws" shall have the meaning set forth in Section 3.15.

"Equity Commitment Letter" shall have the meaning set forth in Section 4.6(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Party" means any Go-Shop Party from which the Company or any of its Representatives has received during the Go-Shop Period an Acquisition Proposal that the Company Board determines, in good faith, prior to or as of the No-Shop Period Start Date and after consultation with its outside legal counsel and financial advisor, constitutes or is reasonably likely to lead to a Superior Proposal; provided, however, that, notwithstanding anything to the contrary contained herein, such Go-Shop Party shall cease to be an "Excluded Party" at any time such Go-Shop Party ceases to be actively pursuing an Acquisition Proposal.

"Expense Reimbursement" shall mean an amount payable to the Buyer or the Company, as applicable, equal to the reasonable out-of-pocket costs and expenses incurred by the Buyer Parties or the Company, as applicable, in connection with negotiation, documentation and implementation of the transactions contemplated by this Agreement; provided, that the Expense Reimbursement shall not exceed $3,000,000.

"FBCA" shall have the meaning set forth in the recitals hereto.

"FCPA" shall have the meaning set forth in Section 3.23(d).

"Financial Statements" shall have the meaning set forth in Section 3.11(a).

"Financing" shall have the meaning set forth in Section 5.12(a).

"Free or Open Source Software" shall have the meaning set forth in Section 3.8(c)(iii).

"FTC" shall mean the United States Federal Trade Commission.

"Fully Diluted Shares Outstanding" shall mean the sum, as certified by the Company to the reasonable satisfaction of MergerCo, of (i) the number of shares of Common Stock issued and outstanding immediately prior to the Effective Time plus (ii) the number of shares of Common Stock issuable upon exercise of all Vested Options, minus (iii) the number of Dissenting Shares.

"FY10 Balance Sheet" shall have the meaning set forth in Section 3.11(a)(i).

"GAAP" means generally accepted accounting principles as in effect in the United States of America, applied on a basis consistent with the Company's audited financial statements for the fiscal year ended December 31, 2010.

"General Break-Up Fee" shall have the meaning set forth in Section 8.3(a).

"Go-Shop Party" shall have the meaning set forth in Section 5.3(a).

"Go-Shop Period" shall have the meaning set forth in Section 5.3(a).

"Governmental Authority" means any federal, state, provincial, local, municipal, foreign or other governmental or administrative body, college, instrumentality, department or agency, any self-regulatory body or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel, quasi-governmental or private body exercising any regulatory, expropriation or Taxing authority under or for the account of any of the foregoing, including any subdivisions of any of the foregoing.

"Governmental Licenses" means all permits, licenses, registrations, grants, easements, consents, approvals, authorizations, exemptions, waivers, franchises, certificates, filings, registrations, qualifications, orders, programs, directives, policies, guidelines or other rights or privileges obtained or required to be obtained for the conduct of the Company's or its Subsidiaries respective businesses from any Governmental Authority.

"Hazardous Material" shall have the meaning set forth in Section 3.15.

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

"Indebtedness" means, without duplication, (i) any indebtedness of the Company or any of its Subsidiaries for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which the Company or any of its Subsidiaries is liable, contingently or otherwise, as obligor or otherwise, (iv) any commitment by which the Company or any of its Subsidiaries assures a creditor against loss (including, contingent reimbursement liability with respect to letters of credit), (v) any indebtedness guaranteed in any manner by the Company or any of its Subsidiaries (including, guarantees in the form of an agreement to repurchase or reimburse), (vi) any liabilities under leases recorded for accounting purposes by the Company or any of its Subsidiaries as capitalized leases or financing leases with respect to which the Company or any of its Subsidiaries is liable, contingently or otherwise, as obligor, guarantor or otherwise, (vii) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA, (viii) any dividends payable, or accrued for, by the Company, (ix) any other liability or obligation required by GAAP to be reflected as indebtedness on a consolidated balance sheet of the Company as of the relevant date prepared in accordance with GAAP, and (xiv) any accrued and unpaid interest on, and any prepayment premiums, penalties or similar contractual charges in respect of, any of the foregoing obligations computed as though payment is being made in respect thereof on the applicable date.

"Interim Statement" shall have the meaning set forth in Section 3.11(a)(iii).

"Intellectual Property Assets" shall have the meaning set forth in Section 3.8(c)(ii).

"IRS" means the United States Internal Revenue Service.

"ITAR" shall have the meaning set forth in Section 3.23(a)(i).

"Knowledge" means (i) in the case of an individual, the actual knowledge of such individual after reasonable investigation, (ii) in the case of the Company, the actual knowledge,

after reasonable investigation, of each of James E. Minarik, Kevin P. Duffy, David E. Peet, Paul DiComo, Ben Newhall, Lindsay Sacks, Joseph Tristani and Arturas Rainys, and (iii) in the case of any other Person that is not an individual, the actual knowledge of the chief executive officer and chief financial officer (or persons serving in similar capacities) of such Person, after reasonable investigation.

"Law" means any law, by-law, statute, regulation, ordinance, code, directive, rule, Order, settlement, Contract or governmental requirement enacted, promulgated, entered into, or imposed by, any Governmental Authority (including, for the sake of clarity, common law) in effect or reasonably expected to be in effect on the Closing Date.

"Leased Real Property" means all of the right, title and interest of the Company and its Subsidiaries under all written leases, subleases, licenses, concessions and other agreements (written or oral), pursuant to which the Company or its Subsidiaries holds a leasehold or sub-leasehold estate in, or is granted the right to use or occupy, any land or building which is used in the operation of their respective businesses.

"Leased Premises" shall have the meaning set forth in Section 3.18(a).

"Leases" shall have the meaning set forth in Section 3.18(a).

"Letter of Transmittal" shall have the meaning set forth in Section 2.9(b).

"Liability" means any liability or obligation of any nature, whether accrued, absolute, contingent, asserted, unasserted or otherwise.

"Licenses In" shall have the meaning set forth in Section 3.8(a).

"Limited Guaranty" means a limited guaranty in favor of the Company in the form attached hereto as Exhibit E.

"Liens" means all claims, charges, mortgages, deeds of trust, collateral assignments, security interests, Uniform Commercial Code financing statements, conditional or other sales agreements, liens, pledges, hypothecations, servitudes, easements, ownership or title retention agreements, deemed trusts and any other rights or encumbrances of any kind on any assets of a Person.

"Marks" shall have the meaning set forth in Section 3.8(c)(ii).

"Mass Termination" shall have the meaning set forth in Section 3.20(c).

"Material Contracts" means (i) all Contracts listed or required to be listed on Schedule 3.9(a), and (ii) all other Contracts with (x) the Customers and Partners listed or required to be listed on Schedule 3.16, and (y) the Suppliers; provided, that Material Contracts shall not include purchase orders relating to the purchase or sale of inventory by the Company or any of its Subsidiaries executed in the ordinary course of business.

"Merger" shall have the meaning set forth in the recitals hereto.

"Merger Consideration" means $285,000,000.

"MergerCo" shall have the meaning set forth in the Preamble.

"Multiemployer Plan" shall have the meaning set forth in Section 3.13(m)(ii).

"Net Merger Consideration" means an amount equal to (i) the Merger Consideration plus (ii) the Aggregate Option Exercise Amount plus (iii) the Adjustment Amount minus (iv) the Adjusted Transaction Expenses minus (v) the Specified Contingent Liabilities minus (vi) 62.9% multiplied by the Specified Expenses minus (vii) all Dissenting Share Payments.

"No-Shop Period Start Date" shall have the meaning set forth in Section 5.3(b).

"Notices" shall have the meaning set forth in Section 9.4.

"NQDC Plan" shall have the meaning set forth in Section 3.13(i).

"OFAC" shall have the meaning set forth in Section 3.23(a)(i).

"Official" shall have the meaning set forth in Section 3.23(d).

"Option" means any option to purchase shares of capital stock of the Company issued under the Option Plan or other compensation plan or arrangement of the Company.

"Optionholder" means each holder of a Vested Option.

"Optionholder Acknowledgement" shall have the meaning set forth in Section 2.9(c).

"Option Consideration" means, for each Vested Option, an amount equal to the product of (i) the excess of (A) the Per Share Consideration over (B) the exercise price per share of Common Stock issuable upon exercise of such Vested Option, multiplied by (ii) the total number of shares of Common Stock issuable upon exercise of such Vested Option, without any interest thereon.

"Option Plan" means the Company's 2005 Incentive Compensation Plan (as amended and in effect).

"Order" shall have the meaning set forth in Section 3.4.

"Organizational Documents" means: (a) the certificate of incorporation, articles of incorporation or articles of association and bylaws of any corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) the certificate of formation and operating agreement of any limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (f) any amendment to any of the foregoing.

"Outside Date" means August 31, 2011.

"Partners" shall have the meaning set forth in Section 3.16.

"Patents" shall have the meaning set forth in Section 3.8(c)(ii).

"Paying Agent" shall have the meaning set forth in Section 2.9(a).

"Payment Fund" shall have the meaning set forth in Section 2.9(a).

"Payoff Letter" shall have the meaning set forth in Section 2.8.

"Per Share Consideration" means an amount, rounded to six decimal places, equal to Net Merger Consideration divided by Fully Diluted Shares Outstanding. Annex I illustrates the calculation of Per Share Consideration based on the capital structure of the Company as of the date of this Agreement.

"Permitted Liens" means any: (a) Liens in respect of Taxes the validity of which are being contested in good faith by appropriate proceedings which such party has established adequate reserves in accordance with GAAP or Liens in respect of Taxes not yet due and payable; (b) statutory landlord's, warehouse, mechanic's, carrier's, workmen's, repairmen's or other similar Liens arising or incurred in the ordinary course of business, the existence of which does not, and would not reasonably be expected to, materially impair the marketability, value or use and enjoyment of the asset subject to such Lien; (c) conditions, easements and reservations of rights, including rights of way, for sewers, electric lines, telegraph and telephone lines and other similar purposes, and affecting the real property leased by the Company that are of record as of the date of this Agreement and, the existence of which does not, and would not reasonably be expected to, materially impair the use or enjoyment of such real property as currently conducted; and (d) with respect to the Leased Premises, zoning, building codes and other land use Laws regulating the use or occupancy of such Leased Premises or the activities conducted thereon that are imposed by any governmental authority having jurisdiction over such Leased Premises, the existence of which does not, and would not reasonably be expected to, materially impair the use or enjoyment of such Leased Premises as currently conducted.

"Person" means any individual, partnership, joint venture, corporation, trust, unincorporated organization, limited liability company, unlimited liability company, group, Governmental Authority, and any other person or entity.

"Personal Property" means all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, spare parts, and other tangible personal property that are owned or leased by the Company or any of its Subsidiaries and used or useful in the conduct of its respective business or the operations of such business.

"Phantom Award Agreements" means the First Amended and Restated Gain Share Agreement by and between the Company and each of Kevin P. Duffy and James E. Minarik, each dated as of January 1, 2010 (each as amended and in effect).

"Phantom Payments" means the aggregate amount payable under the Phantom Award Agreements.

"Prime Rate" shall have the meaning set forth in Section 8.3(c).

"Products" shall have the meaning set forth in Section 3.8(a).

"Proxy Statement" shall have the meaning set forth in Section 5.11(a).

"Qualified Bidder" shall have the meaning set forth in Section 5.3(c).

"Reduced Break-Up Fee" shall have the meaning set forth in Section 8.3(a).

"Repaid Indebtedness" means the outstanding principal and unpaid interest (as well as prepayment, breakage and any other fees or charges payable) under the Senior Credit Agreement, and any other amounts payable thereunder or under the related loan documents.

"Representative" means, as to any Person, such Person's Affiliates and its and their directors, officers, employees, agents, advisors (including financial advisors, counsel and accountants) and direct and indirect controlling Persons.

"Required Consents and Waivers" shall have the meaning set forth in Section 6.11.

"Rollover Amount" means $1,700,000.

"Rollover Stock" means the shares of common stock, par value $0.01 of Buyer, or such other class of capital stock of Buyer as is purchased by Sponsor on or about the Closing Date.

"SEC" means the United States Securities and Exchange Commission or any successor entity thereto.

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

"Securityholders" means the Stockholders and Optionholders.

"Senior Credit Agreement" means the Amended and Restated Credit Agreement, by and among DEI Sales, Inc., Canadian Imperial Bank of Commerce, CIBC World Markets Corp., Wachovia Bank, National Association, Citibank, N.A., J.P. Morgan Securities, Inc., Wells Fargo Bank, N.A., dated as of September 22, 2006 (as amended and in effect as of the date of this Agreement).

"Specified Contingent Liabilities" means (i) $943,500 in respect of the matters listed as Items 2 and 3 on Schedule 3.10(a), (ii) $1,514,911 in respect of the Prior Disclosure Letter dated April 29, 2011, which is described on Schedule 3.6, and (iii) $1,517,000 in respect of the Company's liabilities with respect to the Otay Mesa Lease listed as Item 2 on Schedule 3.18(a).

"Specified Expenses" means all expenses of the Company and its Subsidiaries (including, without limitation, legal expenses) incurred in connection with the Prior Disclosure Letter dated April 29, 2011, which is described on Schedule 3.6, and in connection with the related internal investigation, other than those $136,910 of expenses accrued as of March 31, 2011.

"Significant Stockholder" means (i) any Person who is the record holder of five percent (5%) or more of the Common Stock and (ii) any Person who, to the Knowledge of the Company, beneficially owns five percent (5%) or more of the Common Stock.

"Sponsor" shall mean Charlesbank Equity Fund VII Limited Partnership.

"Stockholder" means a holder of Common Stock.

"Stockholder Approval" shall have the meaning set forth in Section 5.11(c).

"Stockholders Meeting" shall have the meaning set forth in Section 5.11(c).

"Subsidiary" means, with respect to the Company, any corporation, association, partnership, limited liability company, trust or other entity of which fifty percent (50%) or more of the total voting power, whether by way of contract or otherwise, of shares of capital stock or other equity interests (including limited liability company or partnership interests) 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 (e.g., through another Subsidiary), by (a) the Company (b) the Company and one or more of its Subsidiaries, or (c) one or more Subsidiaries of the Company. For the avoidance of doubt, a Subsidiary of the Company includes direct and indirect Subsidiaries (e.g., a Subsidiary of a Subsidiary).

"Superior Proposal" means a *bona fide* written proposal relating to an Acquisition Proposal involving the acquisition of all or substantially all of the equity securities of the Company or assets of the Company (whether by purchase, exchange of claims or otherwise) that the Company Board determines in its good faith judgment is reasonably likely to be consummated in accordance with its terms, taking into account all legal, financial and regulatory aspects of the proposal and the Person making the proposal, and if consummated, would result in a transaction, after giving effect to the payment of the applicable Break-Up Fee and the Expense Reimbursement to Buyer and the financial costs of any expected delay in consummation of such Acquisition Proposal, more favorable to the Stockholders than the transaction contemplated by this Agreement (after taking into account any revisions to the terms of the transaction pursuant to Section 5.3).

"Supplier" shall have the meaning set forth in Section 3.17.

"Surviving Corporation" shall have the meaning set forth in Section 2.1.

"Systems" shall have the meaning set forth in Section 3.8(b)(xvi).

"Tax" (including with correlative meaning the terms "Taxes" and "Taxable") includes, without limitation, all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, whether disputed or not, imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including, without limitation, those levied on, or measured by, or referred to as income, earnings, profits, gross receipts, sales, use, ad valorem, value added, intangible, unitary, transfer, franchise, license, payroll, employment, estimated, excise,

environmental, stamp, occupation, premium, property, prohibited transactions, windfall or excess profits, customs, duties, import and export, capital, corporate, transfer, land transfer, goods and services, withholding, business, real or personal property, wage, employer health, social services, severance, utility, education and social security taxes, all surtaxes, and all unemployment insurance, health insurance and government pension plan premiums, workers' compensation levies, or other similar taxes.

"Tax Return" means any return (including any information return), report, statement, schedule, notice, form, election, estimate or declaration of estimated tax relating to or required to be filed with any Governmental Authority in connection with the determination, assessment, collection or payment of any Tax.

"Third Party IP Assets" shall have the meaning set forth in Section 3.8(b)(v).

"Trade Secrets" shall have the meaning set forth in Section 3.8(c)(ii).

"Transaction Documents" means this Agreement, the Voting Agreement and the Limited Guaranty.

"Transaction Expenses" means, without duplication, the sum of (i) all of the transaction expenses of the Company and its Stockholders (including the Trivest Stockholders) incurred in connection with the transactions contemplated hereby, (ii) all employer-side employment and payroll Taxes payable by the Company and its Subsidiaries attributable to any compensatory payments (including Phantom Payments) made in connection with the transactions contemplated by this Agreement, (iii) all amounts payable by the Company or any of its Subsidiaries to one or more of its (pre-Closing) Affiliates in respect of any management or advisory fees owing to them as of the Closing Date (iv) any change-of-control or other payment which is triggered as a result of the consummation of the transactions contemplated by this Agreement, (v) any liability of any Person under deferred compensation plans, phantom stock plans, or bonus plans, or similar arrangements made payable as a result of the consummation of the transactions contemplated by this Agreement and (vi) the amount of the premium paid (or required to be paid) by the Company for the D&O Tail Policy purchased by the Company in accordance with Section 5.9, net of any premium refund payable to the Company by reason of the termination of the Company's existing directors' and officers' liability insurance coverage effective as of the Effective Time; provided, that Transaction Expenses shall expressly exclude (x) any amounts paid on or before March 31, 2011 and (y) DEI Deferred Compensation Liabilities.

"Transaction Expenses Tax Benefit" means the excess of (i) the income taxes that would be incurred in income tax years ending on or before the Closing by the Company and its Subsidiaries if no deduction is allowable for any Transaction Expenses, Option Consideration or DEI Deferred Compensation Liabilities, and (ii) the actual income taxes that will be incurred in such income tax years by the Company and its Subsidiaries; provided, that, (A) in calculating the amount of the actual income taxes that will be incurred in such income tax years by the Company and its Subsidiaries under clause (ii) of the preceding sentence, (1) only the percentage of the Transaction Expenses set forth on Schedule 1.1 hereto will be treated as deductible or otherwise taken into account and (2) the applicable effective tax rates set forth on Schedule 1.1 for each category of Transaction Expenses shall be used and (B) prior to the Closing, the

Company shall deliver to Buyer an opinion reasonable acceptable to Buyer from a "Big Four" accounting firm mutually selected by Buyer and the Company that (x) the Option Consideration and the Phantom Payments are deductible for income tax purposes at a "should" level of confidence, and (y) no disclosure and/or reserve with respect to claiming such deductions would be required for tax or accounting purposes including under FIN 48, GAAP, the reportable transaction provisions and/or the so-called UTP rules.

"Transfer Taxes" shall have the meaning set forth in Section 5.6(a).

"Trivest Stockholders" means Trivest Fund II, Ltd., Trivest Equity Partners II, Ltd., Trivest Principals Fund II, Ltd., Trivest-DEI Co-Investment Fund, Ltd., Trivest Fund III, L.P., Trivest Principals Fund III, L.P., Trivest Equity Partners III, L.P., and Trivest Fund Cayman III, L.P.

"Vested Option" shall mean each Option that (i) is outstanding and vested immediately prior to the Effective Time or that shall vest in accordance with its terms at the Effective Time under the Option Plan or other compensation plan or arrangement of the Company and (ii) has a per share exercise price less than the Per Share Consideration.

"Voting Agreement" shall have the meaning set forth in the recitals hereto.

"WARN Act" shall have the meaning set forth in Section 3.20(c).

Section 1.2. Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(c) Except as otherwise indicated, all references in this Agreement to Sections, Schedules, and Exhibits are intended to refer to Sections of this Agreement and Schedules and Exhibits to this Agreement.

(d) Any capitalized terms used in any Disclosure Schedule or Exhibit, but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any reference to $ in this agreement shall mean U.S. dollars.

ARTICLE 2

MERGER

Section 2.1. The Merger. Subject to the terms and conditions of this Agreement and in accordance with the FBCA, at the Effective Time, the Company and MergerCo shall

consummate the Merger pursuant to which (a) MergerCo shall be merged with and into the Company and the separate corporate existence of MergerCo shall thereupon cease, (b) the Company shall be the surviving corporation in the Merger (the "Surviving Corporation") and shall continue to be governed by the laws of the State of Florida and (c) the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger. The Merger shall have the effects specified in the FBCA.

Section 2.2. Effective Time. On the Closing Date, the Company shall duly execute the articles of merger (the "Articles of Merger") and file such Articles of Merger with the Secretary of State of the State of Florida in accordance with the FBCA. The Merger shall become effective at such time as the Articles of Merger, accompanied by payment of the filing fee (as provided in the FBCA), have been filed with the Secretary of State of the State of Florida, or at such subsequent time as Buyer and Company shall agree and shall specify in the Articles of Merger (the date and time the Merger becomes effective being the, "Effective Time"). Among other things, the Articles of Merger shall effect the changes to the articles of incorporation and by-laws of MergerCo set forth in Section 2.3 hereof.

Section 2.3. Articles of Incorporation and By-Laws. The articles of incorporation of the Company, as in effect immediately prior to the Effective Time, shall be, upon effectiveness of the Articles of Merger, the articles of incorporation of the Surviving Corporation until thereafter amended, restated, repealed or otherwise modified as provided by law and by the terms of such articles of incorporation. Immediately following the Effective Time, the board of directors of the Surviving Corporation shall amend and restate the bylaws of the Surviving Corporation to be the same as the bylaws of MergerCo immediately prior to the Effective Time. Notwithstanding the foregoing, the name of the Surviving Corporation shall be "DEI Holdings, Inc." and the articles of incorporation and bylaws of the Surviving Corporation shall so provide.

Section 2.4. Closing. The closing of the Merger (the "Closing") shall occur as promptly as practicable (but in no event later than the third (3rd) Business Day (as defined below)) after all of the conditions set forth in Article 6 and Article 7 (other than conditions which by their terms are required to be satisfied or waived at the Closing) shall have been satisfied or, if permissible, waived by the party entitled to the benefit of the same, and, subject to the foregoing, shall take place at such time and on a date to be specified by the parties (the "Closing Date"); provided, however, that in no event shall the Closing Date be prior to the next Business Day after the expiration of the Go-Shop Period. The Closing shall take place at the offices of Goodwin Procter LLP, 135 Commonwealth Drive, Menlo Park, California 94025, or at such other place as agreed to by the parties hereto.

Section 2.5. Directors and Officers. The directors of MergerCo immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation and the officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, each to hold office in accordance with the articles of incorporation and bylaws of the Surviving Corporation.

Section 2.6. Effect on Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holders of any shares of capital stock of the Company or MergerCo:

(a) Each share of common stock, par value $0.01 per share, of MergerCo issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into one (1) fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation following the Merger.

(b) Each share of capital stock of the Company that is owned by the Company, by any Subsidiary of the Company, by Buyer, by MergerCo, or by any other wholly owned Subsidiary of Buyer, shall automatically be cancelled and retired and shall cease to exist, and no cash or other consideration shall be delivered or deliverable in exchange therefor.

(c) Each share of the Company's Common Stock, par value $0.01 per share (the "Common Stock"), issued and outstanding immediately prior to the Effective Time (other than shares to be cancelled in accordance with Section 2.6(b) and any Dissenting Shares) will, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive the Per Share Consideration in accordance with the terms and conditions of this Agreement. As of the Effective Time, all such shares of Common Stock shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of a certificate (a "Common Stock Certificate") or book-entry share (a "Book-Entry Share") representing any such shares of Common Stock shall cease to have any rights with respect thereto, except the right to receive the Per Share Consideration in respect of each such share of Common Stock upon surrender of such Common Stock Certificate or Book-Entry Share in accordance with Section 2.9.

Section 2.7. Options.

(a) Each Vested Option shall represent, in accordance with its terms as of the Effective Time, the right to receive a cash payment in the amount of the Option Consideration with respect to such Vested Option, and shall, in accordance with its terms, no longer represent the right to purchase Common Stock or any other equity security of the Company, the Surviving Corporation or any other Person or the right to receive any other consideration. The Option Consideration to be received for each Vested Option as of the Effective Time shall be treated as compensation by the Company and the Company shall be entitled to deduct and withhold any applicable federal or state withholding tax.

(b) The Company shall take such action as shall be required to cause, pursuant to the Option Plan or any other compensation plan or arrangement with the Company, as applicable, any Option that is not a Vested Option as of the Effective Time to be cancelled as of the Effective Time and to no longer represent the right to purchase Common Stock or any other equity security of the Company, the Surviving Corporation or any other Person or the right to receive any other consideration, or have any other further force or effect.

Section 2.8. Payments at Closing.

(a) Prior to the Closing Date, the Company shall use its commercially reasonable efforts to obtain a payoff letter from each Person to whom Repaid Indebtedness or any of the amounts described in clause (i) or (iii) of the definition of Transaction Expenses is

owed, each in form and substance reasonably satisfactory to Buyer (each, a "Payoff Letter"). At Closing, Buyer shall cause to be made the payments referenced in such Payoff Letters on the Closing Date in order to discharge the Repaid Indebtedness and Transaction Expenses covered thereby, as well as the Specified Expenses (including those accrued as of March 31, 2011) and any Transaction Expenses due on the Closing Date (in each case, to the extent not already paid), in their entireties. Buyer and the Company will cooperate in arranging for such repayment and shall take such reasonable actions as may be necessary to facilitate such repayment and to facilitate the release, in connection with such repayment, of any Lien securing the Repaid Indebtedness.

(b) Notwithstanding anything herein or in the Phantom Award Agreements to the contrary, Buyer may satisfy the obligations of the Company under the Phantom Award Agreements by (i) the issuance of a number of shares of Rollover Stock equal to the Rollover Amount divided by the fair market value of such Rollover Stock (rounded down to the nearest whole share) to the recipients of Phantom Payments and (ii) a cash payment equal to the Phantom Payments minus the Rollover Amount.

Section 2.9. Payment of Consideration; Surrender of Certificates.

(a) American Stock Transfer & Trust Company, LLC, the Company's transfer agent (the "Paying Agent"), shall act as paying agent. At the Effective Time, Buyer shall deposit with the Paying Agent, for the benefit of the holders of shares of Common Stock outstanding immediately prior to the Effective Time (other than Dissenting Shares), for payment through the Paying Agent in accordance with this Section 2.9, cash in an amount equal to the Aggregate Stockholder Proceeds (the "Payment Fund"). The fees and expenses associated with the hiring and retention of the Paying Agent shall be borne by Buyer. The Paying Agent shall, pursuant to irrevocable instructions, make the payments provided for in Section 2.6 out of the Payment Fund. The Payment Fund shall not be used for any other purpose, except as provided in this Agreement.

(b) Promptly after the Effective Time (and in no event later than two (2) Business Days thereafter), Buyer shall cause the Paying Agent to mail to each holder of record of a Common Stock Certificate or Book-Entry Share that immediately prior to the Effective Time represented outstanding shares of Common Stock, a letter of transmittal and instructions in the form attached hereto as Exhibit C (the "Letter of Transmittal"). Upon surrender of a Common Stock Certificate or Book-Entry Share, as applicable, for cancellation to the Paying Agent, together with such Letter of Transmittal duly completed and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required pursuant to such instructions, the holder of such Common Stock Certificate or such Book-Entry Share shall be entitled to receive in exchange therefor (subject to the provisions of Section 2.10) the Per Share Consideration payable in respect of each share of Common Stock previously represented by such Common Stock Certificate or such Book-Entry Share, and the Common Stock Certificate or Book-Entry Share so surrendered shall immediately be cancelled. In the event of a transfer of ownership of Common Stock which is not registered in the transfer records of the Company, payment may be made to a Person other than the Person in whose name the Common Stock Certificate or Book-Entry Share so surrendered is registered, if such Common Stock Certificate or such Book-Entry Share is presented to the Paying Agent,

accompanied by all documents reasonably required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.9, subject to the provisions of Section 2.10, each Common Stock Certificate or Book-Entry Share, as applicable, shall be deemed at any time after the Effective Time to represent only the right to receive, upon such surrender, the Per Share Consideration in respect of each share of Common Stock represented by such Common Stock Certificate or such Book-Entry Share. No interest shall be paid or accrue on any cash payable upon surrender of any Common Stock Certificate or Book-Entry Share. The Per Share Consideration delivered upon the surrender for exchange of Common Stock Certificates (or affidavit of loss in lieu thereof) or Book-Entry Shares in respect of each share of Common Stock previously represented by such Common Stock Certificates or such Book-Entry Shares, as applicable, in accordance with the terms hereof shall be deemed to have been delivered (and paid) in full satisfaction of all rights pertaining to such shares of Common Stock, and from and after the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Common Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Common Stock Certificates or Book-Entry Shares are presented to the Surviving Corporation or the Paying Agent for any reason, they shall be cancelled and exchanged as provided in this Article 2.

(c) At the Effective Time, Buyer shall deposit with the Surviving Corporation for payment in accordance with this Section 2.9(c), for the benefit of each Optionholder, cash in an amount equal to the Aggregate Option Proceeds. Promptly after the Effective Time (and in no event later than two (2) Business Days thereafter), Buyer shall, or shall cause the Surviving Corporation, to mail to each holder of a Vested Option an Optionholder Acknowledgement in the form attached hereto as Exhibit D (the "Optionholder Acknowledgement"). Each holder of Vested Options, upon delivery to the Surviving Corporation of a duly executed Optionholder Acknowledgement, shall be entitled to receive from the Surviving Corporation in exchange therefor the Option Consideration payable in respect of such Vested Option. The Option Consideration delivered in respect of each Vested Option delivered with a duly executed Optionholder Acknowledgement shall be deemed to have been delivered (and paid) in full satisfaction of all rights pertaining to such Vested Option.

(d) Any portion of the Payment Fund that remains undistributed to the holders of Common Stock Certificates or Book-Entry Shares six (6) months after the Effective Time shall be delivered to Buyer, upon demand, and any holder of a Common Stock Certificate or a Book-Entry Share who has not previously complied with this Section 2.9 prior to the end of such six (6) month period shall thereafter look only to Buyer for payment of its claim for the Per Share Consideration in respect of each share of Common Stock represented by such Common Stock Certificate or such Book-Entry Share.

(e) To the extent permitted by applicable Law, none of any Buyer Party, the Company, the Surviving Corporation or the Paying Agent or any of their respective Affiliates shall be liable to any Person in respect of Merger Consideration delivered to a public official pursuant to the requirements of any applicable abandoned property, escheat or similar Law. If any Common Stock Certificate or Book-Entry Share shall not have been surrendered prior to twelve (12) months after the Effective Time, any such shares, cash, dividends or distributions in

respect of such Common Stock Certificate or Book-Entry Share shall, to the extent permitted by applicable Law, become the property of the Surviving Corporation, free and clear of all claims or interest of any Person previously entitled thereto.

(f) The Paying Agent shall invest any cash included in the Payment Fund as directed by Buyer; provided, however, that such investments shall be in obligations of or guaranteed by the United States. Any net profit resulting from, or interest or income produced by, such investments shall be placed in the Payment Fund and be payable to Buyer.

(g) Each of the Buyer Parties and the Surviving Corporation shall be entitled to deduct and withhold from the Option Consideration otherwise payable pursuant to this Agreement to any holder of a Vested Option, such amounts as it reasonably determines that it is required to deduct and withhold with respect to the making of such payment under the Code, or any other applicable provision of Law. To the extent that amounts are so withheld by either of the Buyer Parties or the Surviving Corporation, as the case may be, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Vested Option in respect of which such deduction and withholding was made by such Buyer Party or the Surviving Corporation, as the case may be.

Section 2.10. Appraisal Rights.

(a) Notwithstanding anything in this Agreement to the contrary, any shares of Company Stock that are issued and outstanding immediately prior to the Effective Time and that are held by Stockholders who, in accordance with Section 1301 et seq. of the FBCA (the "Appraisal Rights Provisions") (i) have not voted in favor of adopting and approving this Agreement and (ii) shall have demanded properly in writing appraisal for such shares, and not effectively withdrawn, lost or failed to perfect their rights to appraisal (collectively, the "Dissenting Shares"), will not be converted as described in Section 2.6, but at the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, shall be cancelled and shall cease to exist and shall represent the right to receive only those rights provided under the Appraisal Rights Provisions; provided, however, that all shares of Common Stock held by Stockholders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such shares of Common Stock under the Appraisal Rights Provisions shall thereupon be deemed to have been cancelled and retired and to have been converted, as of the Effective Time, into the right to receive the Per Share Consideration, without interest, in the manner provided in Section 2.6. Persons who have perfected statutory rights with respect to Dissenting Shares as aforesaid will not be paid by the Surviving Corporation as provided in this Agreement and will have only such rights as are provided by the Appraisal Rights Provisions with respect to such Dissenting Shares. The Company shall give Buyer prompt notice of any demands received by the Company for the exercise of appraisal rights with respect to shares of Common Stock. The Company shall not, except with the prior written consent of Buyer, make any payment with respect to, or settle or offer to settle, any such demands.

(b) Each dissenting Stockholder who becomes entitled under the Appraisal Rights Provisions to payment for Dissenting Shares shall receive payment therefor after the Effective Time from the Surviving Corporation (but only after the amount thereof shall have

been agreed upon or finally determined pursuant to the Appraisal Rights Provisions), and such shares of Company Stock shall be cancelled.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Buyer Parties as follows:

Section 3.1. Organization. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation. The Company has full corporate power and authority to own or lease its properties and to conduct its businesses in the manner and in the places where such properties are owned or leased and where such businesses are currently conducted. The copies of the Company's Organizational Documents, each as amended to date and each heretofore Delivered, are complete and correct, and no amendments thereto are pending. The Company is duly licensed and qualified to do business and in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification to do business necessary, except where the failure to be so licensed or qualified would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

Section 3.2. Authorization; Corporate Documentation. The Company has full corporate power and authority to enter into this Agreement and each Transaction Document to which it is or will be a party and to carry out the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Transaction Document to which the Company is or will be a party and the performance of the Company's obligations hereunder and thereunder have been duly authorized by all necessary corporate action on the part of the Company other than obtaining Stockholder Approval. This Agreement and each Transaction Document to which the Company is or will be a party will constitute valid and binding obligations of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 3.3. Capitalization; Subsidiaries.

(a) Schedule 3.3(a) accurately sets forth the authorized and outstanding capital stock of the Company as of the date of this Agreement. All of the issued and outstanding shares of capital stock of the Company have been duly authorized, are validly issued, fully paid and nonassessable, are owned of record by the Stockholders and have been offered, issued, sold and delivered in compliance with applicable federal and state securities laws, without giving rise to preemptive rights of any kind. The relative rights, preferences and other provisions relating to the capital stock of the Company are as set forth in the Company's articles of incorporation. Schedule 3.3(a) also includes a list of the record holders of Common Stock as of April 26, 2011.

(b) Schedule 3.3(b) sets forth the name of each holder of Options, together with the number of shares of Common Stock for which such Options are exercisable with respect to each holder, the applicable vesting schedule (if any) and the applicable exercise price. Except as set forth on Schedule 3.3(b), there are no outstanding or authorized options, warrants, rights, contracts, pledges, calls, puts, rights to subscribe, conversion rights or other agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance, disposition or acquisition of any of its equity or any rights or interests exercisable therefor. Except for the Phantom Award Agreements, there are no outstanding or authorized equity appreciation, phantom stock or similar rights with respect to the Company. Except as set forth on Schedule 3.3(b), there are no agreements of any kind that would reasonably be expected to obligate the Company to purchase, redeem or otherwise acquire any of its capital stock or other equity securities and the Company has not redeemed any shares of its capital stock or other equity securities in the past three (3) years. Except as set forth on Schedule 3.3(b), none of the Options set forth in Schedule 3.3(b) is subject to accelerated vesting by reason of the transactions contemplated hereby or any subsequent sale (or change in control) of the Company or the Surviving Corporation.

(c) Except as set forth in Schedule 3.3(c), the Company is not bound by and, to the Knowledge of the Company there are not, (i) any preemptive rights, rights of first refusal, put or call rights or obligations or anti-dilution rights with respect to the issuance, sale or redemption of the Company's capital stock or any interests therein, (ii) any rights to have the Company's capital stock registered for sale to the public in connection with the laws of any jurisdiction or (iii) any documents, instruments or agreements relating to the voting of the Company's voting securities or restrictions on the transfer of the Company's capital stock. There are no declared or accrued but unpaid dividends with respect to any shares of the Company's capital stock.

(d) Schedule 3.3(d) sets forth a true, complete and correct list of the Company's Subsidiaries. All of the issued and outstanding shares of capital stock or other equity securities of such Subsidiaries are, directly or indirectly, owned by the Company, free and clear of all Liens, other than Permitted Liens, and have been duly authorized and validly issued and are fully paid and nonassessable. Each of the Company's Subsidiaries is validly existing and in good standing under the laws of its jurisdiction of formation and is qualified to do business as a foreign entity in each jurisdiction in which the failure to be so qualified would have a Company Material Adverse Effect. Each such Subsidiary has all requisite corporate power and authority necessary to own or lease and operate its assets and to carry its business in the manner and in the places where such assets are owned, leased and operated and such business is conducted. There are no outstanding options, warrants, rights or other securities exercisable or exchangeable for any capital stock of such Subsidiaries, any other commitments or agreements providing for the issuance of additional shares, the sale of treasury shares, or for the repurchase or redemption of shares of such Subsidiaries' capital stock, or any agreements of any kind which may obligate any Subsidiary of the Company to issue, purchase, register for sale, redeem or otherwise acquire any of its capital stock. The Company has previously Delivered true, correct and complete copies of the Organizational Documents of its Subsidiaries and no amendments to such Organizational Documents are pending.

Section 3.4. No Breach. Except as set forth on Schedule 3.4, the execution, delivery and performance by the Company of this Agreement, each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby do not and will not (i) violate, conflict with, result in a material breach of, constitute a default (whether after the giving of notice, lapse of time or both) under, result in a material violation of, result in a material loss of benefit under, accelerate any material obligation under, give rise to a right of termination or cancellation of, or require any Governmental License, exemption, declaration or notice under (A) the Organizational Documents of the Company or any of the Company's Subsidiaries, or (B) any order, writ, judgment, injunction, decree, determination or award (collectively, an "Order"), Law, Material Contract, Lien (other than a Permitted Lien) or Governmental License to which the Company or any of its Subsidiaries is a party or by which the property of the Company or any of its Subsidiaries is bound, (ii) require any action by or in respect of, or filing with any Governmental Authority (except for any such actions required by the HSR Act or any other Competition Law and the filing and recordation of the Articles of Merger as required by the FBCA) or (iii) require the Company or any of its Subsidiaries to obtain any approval, consent or waiver of, or make any filing with, any Person (governmental or otherwise) that has not been obtained or made.

Section 3.5. Governmental Licenses and Permits. Schedule 3.5 contains a complete listing of all material Governmental Licenses used in the conduct of the respective businesses of the Company and its Subsidiaries. The Company and its Subsidiaries own or possess all right, title and interest in and to all of the Governmental Licenses that are necessary to own and operate the business as presently conducted. The Company and each of its Subsidiaries is, and has been at all times, in all material respects in compliance with the terms and conditions of such material Governmental Licenses and has not received any written notices that it is in violation of any of the terms or conditions of such material Governmental Licenses. There is not now pending or threatened actions by or before any Governmental Authority to revoke, cancel, rescind, modify or refuse to renew any such material Governmental Licenses. No such material Governmental License is subject to termination by its terms as a result of the execution of this Agreement or any other agreement contemplated hereby by the Company or any of its Subsidiaries, or by the consummation of the transactions contemplated hereby or thereby, and each such material Governmental License is transferable without the prior consent of any Person.

Section 3.6. Compliance With Law. Except as set forth in Schedule 3.6, the Company and its Subsidiaries are now and have heretofore been in compliance in all material respects with all applicable Laws promulgated by any Governmental Authority. No written notice has been received by the Company or any its Subsidiaries alleging a material violation of or material liability or material potential responsibility under any such Law which is pending or remains unresolved or was received by the Company or any of its Subsidiaries at any time.

Section 3.7. Title to Tangible Assets. The Company or one of its Subsidiaries own good, marketable and valid title, free and clear of all Liens, other than Permitted Liens, to all of the personal property and assets shown on the Interim Statement except for assets disposed of since the date of the Interim Statement in the ordinary course of business and other assets disposed of since the date of the Interim Statement as set forth on Schedule 3.22. Such personal property and assets are (a) together with assets acquired by the Company and its Subsidiaries since the date of the Interim Statement, the Company's human resources, available borrowing

capacity and the rights of the Company and its Subsidiaries under Contracts and Governmental Licenses, sufficient, and in sufficient condition, for the conduct of the business as presently conducted by the Company and its Subsidiaries and (b) in reasonably good operating condition and repair (reasonable wear and tear excepted), and are suitable for their intended use.

Section 3.8. Intellectual Property.

(a) Schedule 3.8(a) contains a complete and accurate list of all (i) Patents owned by the Company or any of its Subsidiaries or used or held for use by the Company or any of its Subsidiaries in their respective businesses ("Company Patents"), registered and material unregistered Marks owned by the Company or any of its Subsidiaries or used or held for use by the Company or any of its Subsidiaries in their respective businesses ("Company Marks") and registered and material unregistered Copyrights owned by the Company or any of its Subsidiaries or used or held for use by the Company or any of its Subsidiaries in their respective businesses ("Company Copyrights"), (ii) material products, computer programs and/or services and related documentation currently researched, designed, developed, manufactured, performed, licensed, sold, distributed and/or otherwise made commercially available by the Company or any of its Subsidiaries, or which the Company or any of its Subsidiaries intends to manufacture, perform, license out, sell, distribute and/or otherwise make commercially available within twenty four (24) months after the date hereof (the "Products"), (iii) licenses, sublicenses or other agreements under which the Company or any of its Subsidiaries is granted rights by others in Company Intellectual Property Assets ("Licenses In") (other than commercial off the shelf software in executable code form which is made available for a total cost of less than US$2,000 for a perpetual license for a single user or work station (or US$25,000 in the aggregate for all users and work stations)), and (iv) licenses, sublicenses or other agreements under which the Company or any of its Subsidiaries has granted rights to others in Company Intellectual Property Assets, other than non-exclusive end-user Contracts entered into by the Company and any of its Subsidiaries in the ordinary course of business that conform in all material respects with the Company's standard forms of dealer agreements, distributor agreements, and out-license agreements, true and correct copies of which have been Delivered. In the case of any licenses, sublicenses or other agreements disclosed pursuant to the foregoing clauses (iii) or (iv), Schedule 3.8(a) also sets forth whether each such license, sublicense or other agreement is exclusive or non-exclusive. For purposes of this Section 3.8(a), Patents, Marks, Copyrights and/or other Intellectual Property Assets that are part of the machinery, equipment or other tangible assets (other than Products or other inventory of the Company and its Subsidiaries) purchased or leased by the Company or any of its Subsidiaries shall not be deemed to be used or held for use by the Company or its Subsidiaries in their respective businesses.

(b) except as set forth on Schedule 3.8(b):

(i) with respect to the Company Intellectual Property Assets (A) purported to be owned by the Company or any of its Subsidiaries, the Company or such Subsidiary exclusively owns such Company Intellectual Property Assets and, without payment to a third party, possesses adequate and enforceable rights to such Intellectual Property Assets as necessary for the operation of the business and (B) used by the Company or any of its Subsidiaries (other than commercial off the shelf software in executable code form which is

made available for a total cost of less than US$2,000 for a perpetual license for a single user or work station (or US$25,000 in the aggregate for all users and work stations)), the Company or such Subsidiary possesses adequate and enforceable rights to such Company Intellectual Property Assets as necessary for the operation of its business; in the case of the foregoing clauses (A) and (B) above, free and clear of all Liens, other than Permitted Liens;

(ii) all Company Intellectual Property Assets owned by or exclusively licensed to the Company or any of its Subsidiaries that have been issued by, or registered with, or the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or any similar office or agency anywhere in the world ("Company Registered IP") are currently in compliance with formal legal requirements (including without limitation, as applicable, payment of filing, examination and maintenance fees, inventor declarations, proofs of working or use, timely post-registration filing of affidavits of use and incontestability, and renewal applications), and all Company Intellectual Property Assets owned by or exclusively licensed to the Company or any of its Subsidiaries are valid and enforceable;

(iii) none of the Company Registered IP is subject to any maintenance fees or taxes or actions falling due within 90 days after the Closing Date;

(iv) none of the Company Registered IP is subject to any proceedings or actions before any court or tribunal (including the U.S. Patent and Trademark Office, U.S. Copyright Office or equivalent authority anywhere in the world) to which the Company or any of its Subsidiaries is a party or in which claims are raised relating to the validity, enforceability, scope, ownership or infringement of any of the Company Registered IP (including any interference, reissue, re-examination or opposition proceeding); and all products made, used or sold under the Company Patents have been marked with the proper patent notice;

(v) there are no pending or, to the Knowledge of the Company, threatened claims against the Company or any of its Subsidiaries or any of its employees alleging that any of the operation of the business or any activity by the Company or any of its Subsidiaries, or manufacture, sale, offer for sale, importation, and/or use of any Product infringes or violates (or in the past infringed or violated) the rights of others in or to any Intellectual Property Assets ("Third Party IP Assets") or constitutes a misappropriation of (or in the past constituted a misappropriation of) any subject matter of any Intellectual Property Assets of any person or entity or that any of the Company Intellectual Property Assets is invalid or unenforceable;

(vi) neither the operation of the business, nor any activity by the Company or any of its Subsidiaries, nor manufacture, use, importation, offer for sale and/or sale of any Product infringes or violates (or in the past infringed or violated) any Third Party IP Asset or constitutes a misappropriation of (or in the past constituted a misappropriation of) any subject matter of any Third Party IP Asset, provided that the representation and warranty made in this Section 3.8(b)(vi) is made to the Company's Knowledge as it pertains to third party patent rights;

(vii) the Company and its Subsidiaries do not have any obligation to compensate any person for the use of any Intellectual Property Assets; the Company and its Subsidiaries have not entered into any agreement to indemnify any other person against any

claim of infringement or misappropriation of any Intellectual Property Assets; there are no settlements, covenants not to sue, consents, judgments, or orders or similar obligations that: (A) restrict the Company's or any of its Subsidiaries' rights to use any Intellectual Property Asset(s), (B) restrict the Company's or any of its Subsidiaries' respective businesses, in order to accommodate a third party's Intellectual Property Assets, or (C) permit third parties to use any Company Intellectual Property Assets(s);

(viii) all former and current employees, consultants and contractors of the Company and its Subsidiaries who have contributed to the development of Company Intellectual Property Assets have executed valid and enforceable written instruments with the Company or such Subsidiary that assign to the Company or such Subsidiary all rights, title and interest in and to any and all (A) inventions, improvements, ideas, discoveries, writings and other works of authorship, and information relating to the business of the Company or such Subsidiary or any of the products or services being researched, developed, manufactured or sold by the Company or such Subsidiary or that may be used with any such products or services and (B) Intellectual Property Assets relating thereto; in each case where any Company Registered IP is held by Company or any of its Subsidiaries by assignment, the assignment has been duly recorded with the U.S. Patent and Trademark Office, U.S. Copyright Office and all similar offices and agencies anywhere in the world in which foreign counterparts are registered or issued;

(ix) to the Knowledge of the Company, (A) there is no, nor has there been any, infringement or violation by any person or entity of any of the Company Intellectual Property Assets or the Company's or any of its Subsidiaries' rights therein or thereto and (B) there is no, nor has there been any, misappropriation by any person or entity of any of the Company Intellectual Property Assets or the subject matter thereof;

(x) the Company and its Subsidiaries have taken all reasonable security measures to protect the secrecy, confidentiality and value of all Trade Secrets owned by the Company or any of its Subsidiaries or used or held for use by the Company or any of its Subsidiaries in their respective businesses (the "Company Trade Secrets"), including, without limitation, requiring each Company and Subsidiary employee, consultant and other person with access to Company Trade Secrets to execute a binding confidentiality agreement, copies or forms of which have been Delivered and, to the Company's knowledge, there has not been any breach by any party to such confidentiality agreements;

(xi) (A) the Company and its Subsidiaries have not granted, directly or indirectly, any current or contingent rights, licenses or interests in or to any source code of any of the Products, and (B) the Company and its Subsidiaries have not provided or disclosed any source code of any Product to any person or entity;

(xii) each Product performs in all material respects in accordance with its documented specifications and as the Company or any of its Subsidiaries has warranted to its customers;

(xiii) the Products do not contain any "viruses", "worms", "time bombs", "key-locks", or any other devices created that would reasonably be expected to disrupt

or interfere with the operation of the Products or equipment upon which the Products operate, or the integrity of the data, information or signals the Products produce;

(xiv) (A) none of the Products contain, incorporate, link or call to or otherwise use Free or Open Source Software, and (B) the incorporation, linking, calling or other use in or by any Product of any such Free or Open Source Software does not obligate the Company or any of its Subsidiaries to disclose, make available, license, offer or deliver any portion of the source code of any Product or component thereof or the subject matter of any other Company Intellectual Property Assets to any third party other than the applicable Free or Open Source Software, or impose any restriction on the consideration to be charged for the distribution of any Product or the subject matter of any other Company Intellectual Property Assets;

(xv) following the Effective Time, the Surviving Corporation and its Subsidiaries will have the same rights and privileges in the Company Intellectual Property Assets as the Company and its Subsidiaries had in the Company Intellectual Property Assets immediately prior to the Effective Time;

(xvi) the computer, information technology and data processing systems, facilities and services used by the Company or any of its Subsidiaries, including all software, hardware, networks, communications facilities, platforms and related systems and services in the custody or control of the Company or such Subsidiaries (collectively, "Systems"), are reasonably sufficient for the existing and currently anticipated future needs of the Company and its Subsidiaries, including as to capacity, scalability and ability to process current and anticipated peak volumes in a timely manner; the Systems are in good working condition to effectively perform all computing, information technology and data processing operations necessary for the operation of the Company and its Subsidiaries; all Systems (to the extent dedicated to the Company or any of its Subsidiaries), other than software that is duly and validly licensed to the Company pursuant to a valid and enforceable Contract, are owned and operated by, and or are under the control of, the Company or its Subsidiaries.

(c) For purposes of this Agreement,

(i) "Company Intellectual Property Assets" means all Intellectual Property Assets owned by the Company or any of its Subsidiaries or used or held for use by the Company or any of its Subsidiaries in their respective businesses and all Products. "Company Intellectual Property Assets" includes, without limitation, the Products, Company Patents, Company Marks, Company Copyrights and Company Trade Secrets.

(ii) "Intellectual Property Assets" means any and all of the following, as they exist throughout the world: (A) patents, patent applications of any kind, patent rights, inventions, discoveries and invention disclosures (whether or not patented) (collectively, "Patents"); (B) rights in registered and unregistered trademarks, service marks, trade names, trade dress, logos, packaging design, slogans and Internet domain names, and registrations and applications for registration of any of the foregoing (collectively, "Marks"); (C) copyrights in both published and unpublished works, including without limitation all compilations, databases and computer programs, manuals and other documentation and all copyright registrations and applications, and all derivatives, translations, adaptations and combinations of the above

(collectively, "Copyrights"); (D) rights in know-how, trade secrets, confidential or proprietary information, research in progress, algorithms, data, databases, data collections, designs, processes, formulae, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques, source code, source code documentation, Beta testing procedures and Beta testing results (collectively, "Trade Secrets"); (E) any and all other intellectual property rights and/or proprietary rights relating to any of the foregoing; and (F) goodwill, franchises, licenses, permits, consents, approvals, and claims of infringement and misappropriation against third parties.

(iii) "Free or Open Source Software" means any software (in source or object code form) licensed from a third party under (A) a license or other agreement commonly referred to as an open source, free software, copyleft or community source code license (including but not limited to any code or library licensed under the GNU General Public License, GNU Lesser General Public License, BSD License, Apache Software License, or any other public source code license arrangement) or (B) any other license or other agreement that requires, as a condition of the use, modification or distribution of software subject to such license or agreement, that such software or other software combined or distributed with such software be (1) disclosed, distributed, made available, offered, licensed or delivered in source code form, (2) licensed for the purpose of making derivative works, (3) licensed under terms that allow reverse engineering, reverse assembly, or disassembly of any kind, or (4) redistributable at no charge.

Section 3.9. Contracts.

(a) Except for Contracts listed on Schedule 3.9(a) (true and complete copies of which have been Delivered) and except for Contracts (including purchase orders) with Persons that are not Customers, Partners or Suppliers relating to the purchase or sale of inventory by the Company or any of its Subsidiaries executed in the ordinary course of business, neither the Company nor any Subsidiary of the Company is a party to or subject to:

(i) any plan or Contract providing for bonuses, stock, options, stock purchases, profit sharing, pension, retirement, other form of deferred compensation, collective bargaining or the like or any Contract with any labor union;

(ii) any employment Contract or Contract for services that requires the payment of more than $120,000 annually in total cash compensation and that is not terminable on thirty (30) or fewer calendar days notice by the Company or a Subsidiary of the Company without liability for any penalty or severance payment;

(iii) any Contract or group of related Contracts for the purchase of any commodity, material or equipment with respect to which the Company or any of its Subsidiaries is currently obligated to make payments in excess of $250,000;

(iv) any other Contract or group of related Contracts, including any Contract related to capital expenditures, creating any obligation of the Company or of its Subsidiaries with respect to which the Company or any of its Subsidiaries is currently obligated to make payments in excess of $250,000;

(v) any Contract requiring the purchase of all or substantially all of its requirements of a particular product from a Vendor;

(vi) any Contract that by its terms does not terminate or is not terminable by the Company or a Subsidiary of the Company on not less than ninety (90) days notice, other than Contracts for which the penalty for termination is less than $250,000;

(vii) any Contract (other than ordinary course purchase orders) with any of the Persons listed or required to be listed on Schedule 3.16;

(viii) any Contract containing covenants limiting the freedom of the Company or any Subsidiary of the Company to compete in any line of business or with any Person;

(ix) any Contract pursuant to which the Company or any of its Subsidiaries has agreed to provide "most favored nation" pricing or other similar terms and conditions to any Person;

(x) any Contract related to Indebtedness of the Company or any of its Subsidiaries;

(xi) except for loans between and among the Company and its wholly-owned Subsidiaries, any Contract under which the Company or any of its Subsidiaries has made advances or loans to any other Person (which shall not include advances made to a non-officer employee of the Company or any of its Subsidiaries in the ordinary course of business consistent with past practice) which is still outstanding;

(xii) any Contract containing restrictions with respect to payment of dividends or any other distributions in respect of the capital stock or other equity interests of any Subsidiary;

(xiii) any lease or agreement under which it is the lessee of, or holds or operates any personal property owned by any other party, for which the annual rental exceeds $250,000 or lease or agreement under which it is the lessor of or permits any third party to hold or operate any property, real or personal, for which the annual rent exceeds $250,000;

(xiv) except for purchase orders entered into in the ordinary course of business, any Contract or group of related Contracts with respect to which the Company or any of its Subsidiaries is entitled to receive payments in excess of $250,000;

(xv) any Contract with any officer, director or Affiliate of the Company or any of its Subsidiaries;

(xvi) any joint venture, partnership, manufacturer, development or supply agreement or other similar Contract which involves a sharing of revenues, profits, losses, costs or liabilities by the Company or any Subsidiary of the Company with any other Person;

(xvii) any royalty or similar Contract based on the revenues or profits of the Company or any Subsidiary of the Company;

(xviii) any Contract involving fixed price or fixed volume arrangements not entered into in the ordinary course of business;

(xix) any Contract containing "standstill" or similar provisions or, except for Contracts entered into in the ordinary course of business, any Contract imposing confidentiality obligations on the Company or any of its Subsidiaries;

(xx) except for customary obligations to indemnify (A) licensors of Products for infringement by such Products on Third Party IP Assets and (B) customers and distributors for infringement by the Company Intellectual Property Assets on Third Party IP Assets, product defects, product recalls, rebate obligations and product servicing and repair, in each case, pursuant to Contracts entered into in the ordinary course of business, all Contracts of indemnification or guaranty to any Person;

(xxi) any acquisition, merger or similar agreement;

(xxii) any Contract with any Governmental Authority; or

(xxiii) any other Contract, whether or not made in the ordinary course of business, that contemplates an exchange of consideration, subsequent to the date hereof, with an aggregate value greater than $250,000 or under which the consequences of a default or termination would reasonably be expected to have a Company Material Adverse Effect.

(b) Except as set forth in Schedule 3.9(b), all Material Contracts constitute legal, valid and binding obligations of the Company or a Subsidiary and, to the Knowledge of the Company, the other parties thereto, and are enforceable against the Company or such Subsidiary in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Neither the Company nor any Subsidiary of the Company is in default in any material respect of any Material Contract, nor has the Company or any Subsidiary of the Company received written notice of any such default, and to the Knowledge of the Company, no condition or event or facts exist which, with notice, lapse of time or both, would constitute a default thereof on the part of the Company or a Subsidiary. Neither the Company nor any of its Subsidiaries has received any notice to terminate any Material Contract.

Section 3.10. Litigation. Except as set forth on Schedule 3.10, (a) there is no litigation, proceeding (arbitral or otherwise), claim, action, suit, judgment, decree, settlement, rule or order or investigation of any nature pending, or, to Knowledge of the Company, threatened against the Company or any of its Subsidiaries or, to the Knowledge of the Company, any present or former officer, director or employee of the Company or any of its Subsidiaries in his or her capacity as such and (b) since January 1, 2008, there has not been any litigation, proceeding (arbitral or otherwise), claim, action, suit, judgment, decree, settlement, rule or order or investigation of any nature pending against the Company or any of its Subsidiaries or, to the Knowledge of the

Company, any present or former officer, director or employee of the Company or any of its Subsidiaries in his or her capacity as such, other than those involving amounts less than $250,000 (including any deductibles payable under the insurance policies of the Company and its Subsidiaries and expenses incurred by the Company and its Subsidiaries). There are no writs, injunctions, decrees, arbitration decisions, unsatisfied judgments or similar orders outstanding against the Company or any of its Subsidiaries.

Section 3.11. Financial Statements.

(a) Schedule 3.11(a) contains the following financial statements (the "Financial Statements"):

(i) the audited consolidated balance sheet of the Company as of December 31, 2010 (the "FY10 Balance Sheet") and the related audited consolidated statements of income, shareholders' deficit and cash flows for the annual period then ended (including the auditor's report thereon);

(ii) the audited consolidated balance sheets of the Company as of December 31, 2009 and 2008, and the related audited consolidated statements of income, shareholders' deficit and cash flows for the annual periods then ended (including the auditor's reports thereon); and

(iii) the unaudited balance sheet of the Company as of March 31, 2011, and the related unaudited statements of income, shareholders' deficit and cash flows for the three-month period then ended (the "Interim Statement").

(b) The foregoing Financial Statements present fairly in all material respects the consolidated financial condition as of the date hereof and the results of operations of the Company throughout the periods covered thereby, in each case determined in accordance with GAAP consistently applied throughout the periods indicated (except that the Interim Statement lacks footnote disclosure and other presentation items, and does not include certain GAAP adjustments normally booked in conjunction with the year-end audit, which are not, individually or in the aggregate, material). Except as set forth on Schedule 3.11(b), there were no material variations in accounting practices, policies and methodologies used in the preparation of the Interim Statement as compared to those used in the preparation of the Company's FY10 Balance Sheet. Neither the Company nor any of its Subsidiaries has entered into any securitization transactions, off-balance sheet arrangements, synthetic leases, sale/leaseback arrangements or arrangements providing for the factoring of receivables or entered into any transaction involving the use of special purposes entities for any of the foregoing. The revenue recognition policies of the Company and the application of those policies are in compliance with GAAP and applicable Law.

(c) The accounts receivable of the Company reflected in the Financial Statements, and all accounts receivable arising subsequent to the date of the FY10 Balance Sheet, (i) arose from *bona fide* transactions in the ordinary course of business consistent with past practice and (ii) are recorded in accordance with GAAP. The reserves set forth on the FY10 Balance Sheet against the accounts receivable for bad debts and related customary

allowances have been calculated in a manner consistent with GAAP and with the past practices of the Company. Since the date of the FY10 Balance Sheet, the Company and its Subsidiaries have collected its accounts receivable in the ordinary course of business consistent with past practices, and neither the Company nor any Subsidiary of the Company has materially accelerated any such collections. Neither the Company nor any Subsidiary of the Company has any accounts receivable or loans receivable from any Person which is affiliated with it or any of its directors, officers or any Significant Stockholders.

(d) All accounts payable and accrued expenses of the Company and its Subsidiaries reflected in the FY10 Balance Sheet and arising subsequent to the date thereof, except for accounts payable and accrued expenses incurred in connection with the transactions contemplated hereby and the internal investigation listed as Item 9 of Schedule 3.10(b), arose in *bona fide* arm's length transactions in all material respects in the ordinary course of business consistent with past practices. Since the date of the FY10 Balance Sheet, the Company and its Subsidiaries have paid their accounts payable in the ordinary course of business consistent with past practices, and neither the Company nor any of its Subsidiaries has materially delayed any such payments. Neither the Company nor any Subsidiary of the Company has any accounts payable due to any Affiliate of the Company, including any of its directors or officers or any Significant Stockholder, or any Person that, to the Knowledge of the Company, is an Affiliate of any of the foregoing.

(e) The values of the inventories stated in the FY10 Balance Sheet reflect the normal inventory valuation policies of the Company and were determined in accordance with GAAP. Purchase commitments for raw materials and parts are not in excess of normal requirements and none are at prices materially in excess of current market prices. Since the date of the FY10 Balance Sheet, no inventory items have been sold or disposed of except through sales in the ordinary course of business at profit margins consistent in all material respects with the Company's experience during calendar year 2010.

(f) Except as disclosed in Schedule 3.11(f), the Company has not received any written correspondence from any independent accounting firm that has conducted a review or audit of the financial statements for the Company that identifies any "material weakness" or "significant deficiency" with respect to the accounting practices, procedures or policies of, or internal accounting controls employed by, the Company.

(g) No enforcement action has been initiated or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries by the SEC relating to disclosures contained in any SEC filing made by the Company or any of its Subsidiaries.

(h) Except as disclosed in Schedule 3.11(h), the Company has no material Liabilities and is not subject to any material claim, of any nature, whether accrued, absolute, contingent, asserted, unasserted or otherwise, except for (i) the Liabilities reflected or adequately reserved against on the FY10 Balance Sheet, (ii) Liabilities incurred in the ordinary course of business since the date of the FY10 Balance Sheet, (iii) Liabilities incurred in connection with the transactions contemplated hereby and (iv) executory Contract Liabilities under (x) any Material Contract or (y) any Contract not required to listed in Schedule 3.9(a).

Section 3.12. Tax Matters.

(a) Except as set forth on Schedule 3.12(a), all material Tax Returns of the Company and any Subsidiary of the Company have been timely filed and all such Tax Returns have been prepared in accordance with the provisions of the applicable Tax Laws and are true, correct and complete in all material respects.

(b) Except as set forth on Schedule 3.12(b), the Company and each Subsidiary of the Company have timely paid or caused to be paid all material Taxes (whether or not shown on any Tax Return) determined without taking into account any Transaction Expenses. The Company and each Subsidiary of the Company has properly accrued in their respective accounting records all material Taxes, determined without taking into account any Transaction Expenses, that are not yet due and payable as of the Closing Date. The Company and each Subsidiary of the Company has properly withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any amounts paid or owing by the Company or any of its Subsidiaries to any employee, independent contractor, creditor, shareholder or other third party.

(c) Except as set forth on Schedule 3.12(c), (i) there has not been any audit of any Tax Return filed by or with respect to the Company or any Subsidiary of the Company for which the applicable statute of limitations has not expired, no audit of any such Tax Return is in progress, and, to the Knowledge of the Company, no such audit or investigation in respect of Taxes is contemplated or pending and (ii) no written claim has been made by any Governmental Authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is subject to taxation by that jurisdiction.

(d) Except as set forth on Schedule 3.12(d), neither the Company nor any Subsidiary of the Company (i) has been a member of an "Affiliated Group" within the meaning of Code Section 1504 or any group of corporations that has filed a combined, consolidated, or unitary Tax Return other than the "Affiliated Group" of which the Company is the common parent or (ii) has liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign law) as a transferee or successor, by Contract or otherwise.

(e) The Company and all Subsidiaries of the Company that are part of the "Affiliated Group" of which the Company is the common parent have filed consolidated returns within the meaning of Code Sections 1501 and 1502.

(f) Neither the Company nor any Subsidiary of the Company has been a party to any Tax sharing agreement that will have continuing effect after the Closing.

(g) Except as set forth in Schedule 3.12(g), neither the Company nor any Subsidiary of the Company is currently the beneficiary of any extension of time within which to file any Tax Return.

(h) There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Company or any of its Subsidiaries.

(i) The Company has made available to the Buyer Parties all income Tax Returns filed by it or any of its Subsidiaries after December 31, 2005 and all FIN 48 work papers of the Company and each of its Subsidiaries reasonably requested.

(j) Except as set forth on Schedule 3.12(j), neither the Company nor any of its Subsidiaries has waived any statute of limitations nor been requested to waive any statute of limitations in respect of Taxes or agreed to any extension of time with respect to an assessment or deficiency with respect to Taxes.

(k) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(l) Each of the Company and its Subsidiaries is, and has always been, an accrual method taxpayer. Except as set forth on Schedule 3.12(l), neither Company nor any of its Subsidiaries will be required to include any item of income in, or exclude any 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 Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date, (iii) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign Tax law), (iv) installment sale or open transaction disposition made on or prior to the Closing Date, (v) election under Section 108(i) of the Code (or any corresponding or similar provision of state, local or foreign Tax law), or (vi) prepaid amount received on or prior to the Closing Date.

(m) Neither the Company nor any Subsidiary has been notified of, or has any knowledge of its participation in a transaction that is described as a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4(b)(1) (or any corresponding or similar provision of state, local or foreign Tax law).

(n) All transactions occurring between the Company and its Subsidiaries, or between any of the Subsidiaries, reflect in all material respects arm's-length terms.

(o) Except as set forth on Schedule 3.12(o), each of Company and its Subsidiaries is and always has been a corporation taxable under subchapter C of the Code for U.S. federal income tax purposes.

(p) Schedule 3.12(p) sets forth all countries, states, provinces, cities, and other jurisdictions in which the Company and each of its Subsidiaries either: (i) has been subject to any Tax at any time during the past four (4) years; (ii) is currently subject to any Tax; or (iii) is or has been during the past four (4) years subject to a claim that the Company or any of its Subsidiaries is subject to any Tax.

(q) Schedule 3.12(q) sets forth all countries, states, provinces, cities, and other jurisdictions in which the Company and each of its Subsidiaries either: (i) has been incorporated at any time during the past four (4) years; or (ii) is currently incorporated.

(r) Each of the Company and each Subsidiary has filed all reports and has created and/or retained all records required under Sections 6038, 6038A, 6038B, 6038C, 6046 and 6046A of the Code.

Section 3.13. Employee Benefit Plans.

(a) Schedule 3.13(a) sets forth a true, complete and correct list of every Benefit Plan that is maintained by the Company, any of its Subsidiaries or any of their respective Benefits Affiliates or with respect to which the Company, any of its Subsidiaries or any of their respective Benefits Affiliates has or would reasonably be expected to have any liability and copies of all Benefit Plans have been Delivered.

(b) True, complete and correct copies of the following documents, with respect to each Benefit Plan, where applicable, have previously been Delivered (i) all documents embodying or governing such Benefit Plan and any funding medium for the Benefit Plan; (ii) the most recent IRS determination or opinion letter; (iii) the most recently filed IRS Form 5500; (iv) the most recent actuarial valuation report, financial statements and annual information return; (v) the most recent summary plan description (or other descriptions provided to employees) and all modifications thereto; and (vi) all non-routine correspondence to and from any Governmental Authority.

(c) Each Benefit Plan that is intended to qualify under Section 401(a) or 501(c)(9) of the Code is so qualified and has received a favorable determination or approval letter from the IRS with respect to such qualification, or may rely on an opinion letter issued by the IRS with respect to a prototype plan adopted in accordance with the requirements for such reliance, or has time remaining for application to the IRS for a determination of the qualified status of such Benefit Plan for any period for which such Benefit Plan would not otherwise be covered by an IRS determination and, to the Knowledge of the Company, no event or omission has occurred that would cause any Benefit Plan to lose such qualification.

(d) (i) Each Benefit Plan is, and has been operated in material compliance with applicable laws and regulations and is and has been administered in all material respects in accordance with applicable laws and regulations and with its terms; (ii) no litigation or governmental administrative proceeding, audit or other proceeding (other than those relating to routine claims for benefits) is pending or, to the Knowledge of the Company, threatened with respect to any Benefit Plan or any fiduciary or service provider thereof, and, to the Knowledge of the Company, there is no reasonable basis for any such litigation or proceeding; and (iii) all payments, premiums and/or contributions required to have been timely made with respect to all Benefit Plans either have been made or have been accrued in accordance with the terms of the applicable Benefit Plan and applicable Law.

(e) No Benefit Plan is a single employer pension plan (within the meaning of Section 4001(a)(15) of ERISA) for which the Company, any of its Subsidiaries or any of their respective Benefits Affiliates could incur liability under Section 4063 or 4064 of ERISA or a plan maintained by more than one employer as described in Section 413(c) of the Code.

(f) None of the Company, any of its Subsidiaries or any of their respective Benefits Affiliates has ever maintained any Benefit Plan that is or was subject to Title IV of ERISA, Section 412 of the Code, Section 302 of ERISA or a Multiemployer Plan and none of the Company, any of its Subsidiaries or any of their respective Benefits Affiliates has incurred any liability under Title IV of ERISA that has not been paid in full.

(g) Except as set forth on Schedule 3.13(g), none of the Benefit Plans provides health care or any other non pension benefits to any employees after their employment is terminated (other than as required by Part 6 of Subtitle B of Title I of ERISA or similar state or provincial Law) and the Company has never promised to provide such post-termination benefits.

(h) (i) each Benefit Plan may be amended, terminated, or otherwise modified by the Company or one of its Benefits Affiliates to the greatest extent permitted by applicable law, including the elimination of any and all future benefit accruals thereunder and no employee communications or provision of any Benefit Plan has failed to effectively reserve the right of the Company or the Benefits Affiliate to so amend, terminate or otherwise modify such Benefit Plan; (ii) neither the Company nor any of its Benefits Affiliates has announced its intention to modify or terminate any Benefit Plan or made any promise or commitment to create any additional pension, benefit or compensation plan or to improve or change the benefits under any Benefit Plan or adopt any arrangement or program which, once established, would come within the definition of a Benefit Plan; (iii) each asset held under each Benefit Plan may be liquidated or terminated without the imposition of any redemption fee, surrender charge or comparable liability; and (iv) neither the Company nor any of the Subsidiaries has an obligation to adopt, or is considering the adoption of, any new pension, benefit or compensation plan or arrangement, or, except as required by Law, the amendment of an existing Benefit Plan.

(i) (i) The per share exercise price of each Company stock option is no less than the fair market value of a share of Company Common Stock on the date of grant of such Company stock option (and as of each later modification thereof within the meaning of Section 409A of the Code) determined in a manner consistent with Section 409A of the Code; and (ii) since December 31, 2004 and through December 31, 2008, each Benefit Plan that constitutes in any part a nonqualified deferred compensation plan within the meaning of Section 409A of the Code (each, a "NQDC Plan") has been operated and maintained in accordance with a good faith, reasonable interpretation of Section 409A of the Code with respect to amounts deferred (within the meaning of Section 409A of the Code) after December 31, 2004. From and after January 1, 2009, each NQDC Plan has been operated and maintained in all material respects in operational and documentary compliance with Section 409A of the Code and applicable guidance thereunder. No payment to be made under any Benefit Plan is, or to the Knowledge of the Company, will be, subject to the penalties of Section 409A(a)(1) of the Code.

(j) No Benefit Plan is subject to the laws of any jurisdiction outside the United States.

(k) Except as set forth on Schedule 3.13(k), none of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby would reasonably be expected to (either alone or in conjunction with any other event): (i) result in, or

cause the accelerated vesting payment, funding or delivery of, or increase the amount or value of, any payment or benefit to any employee, officer, director or other service provider of the Company or any of its Benefits Affiliates; (ii) limit the right of the Company or any of its Benefits Affiliates to amend, merge, terminate or receive a reversion of assets from any Benefit Plan or related trust; (iii) result in any "parachute payment" as defined in Section 280G(b)(2) of the Code (whether or not such payment is considered to be reasonable compensation for services rendered); or (iv) result in a requirement to pay any tax "gross-up" or similar "make-whole" payments to any employee, director or consultant of the Company or any Benefits Affiliate.

(l) Except as set forth on Schedule 3.13(l), no Benefit Plan, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to Section 162(m) of the Code or any other provision of the Code or any similar foreign law, as a result of the transactions contemplated by this Agreement alone or together with any other event.

(m) For purposes of this section:

(i) An entity is a "Benefits Affiliate" of the Company if it would have ever been considered a single employer with the Company under Section 4001(b) of ERISA or part of the same "controlled group" as the Company for purposes of Section 302(d)(3) of ERISA.

(ii) "Multiemployer Plan" means an employee pension or welfare benefit plan to which more than one unaffiliated employer contributes and which is maintained pursuant to one or more collective bargaining agreements.

(iii) An entity "maintains" a Benefit Plan if such entity sponsors, contributes to, or provides benefits under or through such Benefit Plan, or has any obligation to contribute to or provide benefits under or through such Benefit Plan, or if such Benefit Plan provides benefits to or otherwise covers current or former employee, officer or director of such entity (or their spouses, dependents, or beneficiaries).

Section 3.14. Insurance. Schedule 3.14(a) lists all insurance policies (by policy number, insurer, and type of coverage) held by Company or any Subsidiary, copies of which have been Delivered. All such insurance policies are in full force and effect as of the date of this Agreement. Except as set forth in Schedule 3.14(b), there are currently no claims pending against the Company or any of its Subsidiaries under any insurance policies currently in effect and covering their respective businesses, and all premiums due and payable with respect to such policies have been paid to date. To the Knowledge of the Company, there is no threatened termination of any such policies or arrangements.

Section 3.15. Environmental Matters. The Company and its Subsidiaries have obtained and possess all Government Licenses required under applicable Laws concerning pollution or protection of the environment, in each case in effect on or prior to the date of this Agreement, including all such Laws relating to the emission, discharge, release or threatened release of any petroleum, pollutants, contaminants or hazardous or toxic materials, substances or wastes into air, surface water, groundwater or lands ("Environmental Laws"). The Company and its

Subsidiaries are and have been in compliance in all material respects with all terms and conditions of such Government Licenses and are and have been in compliance in all material respects with all other Environmental Laws. No hazardous waste, substance or material, and no oil, petroleum, petroleum product, asbestos, toxic substance, pollutant or contaminant (collectively, "Hazardous Material"), has been generated, transported, used, handled, processed, disposed, stored or treated on any real property owned, leased or operated by the Company or any of its Subsidiaries, except in compliance in all material respects with the terms and conditions of applicable Government Licenses and Environmental Laws. No Hazardous Material has been generated, used, handled, stored, treated, piled, released, discharged, disposed, or transported by the Company or any of its Subsidiaries (or, to the Knowledge of the Company, any other Person), on, in, under or from any real property owned, leased or operated by the Company or any of its Subsidiaries, except in compliance in all material respects with the terms and conditions of applicable Government Licenses and Environmental Laws. To the Knowledge of the Company, no Hazardous Material is present in, on, or under any such property. To Knowledge of the Company, there is no fact or circumstance which would reasonably be expected to involve the Company or any of its Subsidiaries in any litigation, or impose upon the Company or any of its Subsidiaries any liability, arising under any applicable environmental, health and safety laws, rules, ordinances, by-laws and regulations.

Section 3.16. Customers and Partners. Schedule 3.16 sets forth the name of each of the top fifteen (15) customers of the Company and its Subsidiaries based on revenues of the Company (on a consolidated basis) for the fiscal year ended December 31, 2010 and/or for the three months ended March 31, 2011 (the "Customers") together with the names of any other persons or entities with which the Company or any of its Subsidiaries has a material strategic partnership or similar relationship ("Partners"). No Customer or Partner has cancelled or otherwise terminated its relationship with the Company or any of its Subsidiaries or since December 31, 2010 has materially decreased its usage or purchase of the services or products of the Company or any of its Subsidiaries. No Customer or Partner has, to the Knowledge of the Company, any plan or intention to terminate, cancel or otherwise materially and adversely modify its relationship with the Company or its Subsidiaries or to decrease materially or limit its usage, purchase or distribution of the services or products of the Company and its Subsidiaries.

Section 3.17. Suppliers. The relationships of the Company and its Subsidiaries with their major suppliers are good commercial working relationships, and, except as set forth on Schedule 3.17, within the last twelve (12) months, none of the top fifteen (15) suppliers of the Company and any of its Subsidiaries, based on payments during the year ended December 31, 2010 and/or for the three months ended March 31, 2011 ("Suppliers"), has cancelled, materially modified, or otherwise terminated its relationship with the Company or its Subsidiaries, or materially decreased its services, supplies or materials to the Company or its Subsidiaries, nor to the Knowledge of the Company, does any supplier have any plan or intention to do any of the foregoing.

Section 3.18. Real Property.

(a) Schedule 3.18(a) sets forth the address of each Leased Real Property facility of the Company and its Subsidiaries ("Leased Premises") and identifies each lease, license, sublease or other occupancy agreements and all amendments, modifications,

supplements, and assignments thereto, together with all exhibits, addendum, riders and other documents constituting a part thereof for each Leased Premises (the "Leases" and, each individually, a "Lease"). No Lease has been modified or amended and, except as disclosed in Schedule 3.18(a). The Company or one of its Subsidiaries holds a valid and existing leasehold interest under each such Lease free and clear of any Liens, except Permitted Liens. The Company has Delivered true and complete copies of each of the Leases.

(b) Except as set forth in Schedule 3.18(b), with respect to each of the Leases: (i) such Lease is legal, valid, binding and enforceable against the Company or one of its Subsidiaries, as applicable, and, to the Knowledge of the Company, the other party or parties thereto, (ii) the transactions contemplated hereby do not require the consent of any other party to such Lease and will not result in a material breach of or material default under such Lease, and (iii) neither the Company nor any of its Subsidiaries, and to the Knowledge of the Company, no other party to such Lease is in material breach or material default under any such Lease, and to the Knowledge of the Company, no event has occurred which, with notice or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under any Lease.

(c) Except as set forth in Schedule 3.18(c): (i) the rental set forth in each Lease relating to the premises covered by such Lease is the actual rental being paid, and there are no other agreements or understandings with respect to the same; and (ii) to the extent that the buildings and other improvements located upon or used in connection with the premises are operated by the Company or its Subsidiaries, such buildings and other improvements are operated in conformity in all material respects with all applicable Laws and regulations and are in reasonably good condition and repair, except for reasonable wear and tear.

(d) Except as set forth on Schedule 3.18(d), the Leased Real Property identified in Schedule 3.18(a) comprises all of the real property used in the operation of the Company's business. Neither the Company nor any Subsidiary owns any real property or any interest in any real property, other than the Leased Real Property identified in Schedule 3.18(a).

Section 3.19. Transactions with Certain Persons.

(a) No officer, director, Significant Stockholder or other Affiliate of the Company or any of its Subsidiaries and, to the Knowledge of the Company, no immediate relative or spouse (or immediate relative of such spouse) who resides with, or is a dependent of, any such Significant Stockholder, officer, director or other Affiliate: (i) has any direct or indirect financial interest in any creditor, competitor, supplier manufacturer, agent, representative, distributor, provider, supplier or customer of the Company or any of its Subsidiaries; or (ii) owns, directly or indirectly, in whole or in part, or has any other interest in, any tangible or intangible property that the Company or any Subsidiaries uses in the conduct of their respective businesses, except, in each case, for any such ownership or interest resulting from the ownership of not more than five percent (5%) of the outstanding capital stock of a public company.

(b) Except as set forth on Schedule 3.19(b), no director, officer, Significant Stockholder, or other Affiliate of the Company or any of its Subsidiaries, or, to the Knowledge

of the Company, any member of the immediate family of any such Person, or any corporation, partnership, trust or other entity in which any such Person, is an officer, director, trustee, partner or holder of more than five percent (5%) of the outstanding capital stock thereof, is a party to any transaction or understanding with the Company or any Subsidiary, including any Contract or other arrangement providing for the employment of, furnishing of services by, rental of real or personal property from or otherwise requiring payments to any such Person or firm, other than employment-at-will arrangements in the ordinary course of business.

Section 3.20. Employees; Labor Matters.

(a) Schedule 3.20(a) sets forth a complete and accurate list of (i) all of the respective directors and officers of the Company and each of its Subsidiaries and (ii) all of the employees of the Company and each of its Subsidiaries as of April 12, 2011, identifying for each such employee, as of such date, his or her employer (whether the Company and/or any of its Subsidiaries), his or her position, whether classified as exempt or non-exempt for wage and hour purposes (except that such information is not shown for employees of DEI Canada), date of hire, business location, annual base salary, whether paid on a salary, hourly or commission basis and the actual rates of compensation, last year's bonus, full-time or part-time status (except that such information is not shown for employees of DEI Canada), accrued and unused vacation days and the cash value of same, and active/inactive status (and if inactive, the type of leave and estimated return date).

(b) The Company and its Subsidiaries have properly classified and treated all independent contractors, temporary employees, leased employees or any other servants or agents compensated other than through reportable wages paid by the Company or any of its Subsidiaries in accordance with applicable Laws and for purposes of all Benefit Plans and perquisites.

(c) Neither the Company nor any of its Subsidiaries is delinquent in payments to any of its employees or Contingent Workers for any wages, salaries, commissions, bonuses, severance, termination pay, consulting fees or other direct compensation or remuneration for any services performed therefore or amounts required to be reimbursed to such employees or Contingent Workers. Each of the Company and its Subsidiaries is, and heretofore has been, in compliance in all material respects with all applicable Laws and regulations respecting labor, employment, fair employment practices, human rights, pay equity, terms and conditions of employment, occupational safety and health, workers' compensation, and wages and hours. There are no charges of employment discrimination or unfair labor practices or strikes, slowdowns, stoppages of work, or any other concerted interference with normal operations existing, pending or, to the Knowledge of the Company, threatened against or involving the Company or any of its Subsidiaries. Each of the Company and its Subsidiaries is, and at all times has been, in compliance in all material respects with the requirements of the Immigration Reform Control Act of 1986. Neither the Company nor any of its Subsidiaries has ever implemented any plant closing or mass layoff of employees as those terms are defined in the Worker Adjustment Retraining and Notification Act of 1988, as amended (the "WARN Act"), mass termination provisions of any applicable employment standards legislation (the "Mass Termination" provisions) or any similar federal, state, provincial or local Law or regulation and no layoffs that would reasonably be expected to implicate such Laws or

regulations up through and including the Closing Date are currently contemplated or have been effected within the six (6) months prior to Closing. Except as set forth in Schedule 3.20(c), neither the Company nor any Subsidiary of the Company has a written policy, practice, plan or program of paying severance pay or any written form of severance compensation in connection with the termination of employment. There are no grievances, complaints or charges that have been filed against the Company or any Subsidiary of the Company under any dispute resolution procedure (including any proceedings under any dispute resolution procedure under any collective bargaining agreement) that have not been dismissed. There are no collective bargaining agreements, Contracts or understandings with a labor union or labor organization that are in effect or are currently being negotiated by the Company or any Subsidiary of the Company. Neither the Company nor any Subsidiary of the Company is subject to any charge, demand, petition or representation proceeding seeking to compel, require or demand it to bargain with any labor union or labor organization nor is there pending or, to the Knowledge of the Company, threatened in writing, any material labor strike, dispute, walkout, work stoppage, slow-down or lockout involving the Company or any Subsidiary of the Company. Except as set forth in Schedule 3.20(c), neither the Company nor any Subsidiary of the Company has received written notice of pending or threatened resignation of any officer or key employee or key supervisory personnel of the Company or any Subsidiary of the Company.

Section 3.21. Brokers. Except as disclosed on Schedule 3.21, 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 or alleged to have been made by or on behalf of the Company, any of its Subsidiaries or any of their respective Affiliates.

Section 3.22. Absence of Changes. Except as set forth on Schedule 3.22, since December 31, 2010, (x) the Company and its Subsidiaries have conducted their respective businesses only in the ordinary and usual course of business consistent with past practice, and (y) there has not been any material change in or development with respect to their respective business or the operations, financial condition, results of operations, assets or liabilities of the Company and its Subsidiaries. Except as set forth on Schedule 3.22, except as expressly contemplated by this Agreement since December 31, 2010, neither the Company nor any of its Subsidiaries has:

(a) borrowed any amount or incurred or become subject to any material liabilities or obligations, except liabilities under Material Contracts;

(b) mortgaged, pledged or subjected to any Lien, any of its assets, except Liens for Taxes not yet due and payable and Liens arising under the Senior Credit Agreement;

(c) sold, assigned or transferred any assets or entered into any agreement or arrangement for the purchase, sale or other disposition of any properties or assets, other than the acquisition or disposition of Products and other inventory in the ordinary course of business;

(d) amended or authorized the amendment of any Organizational Documents of the Company or any of its Subsidiaries;

(e) suffered any extraordinary losses (whether or not covered by insurance) or waived any rights of material value;

(f) declared, set aside or paid any dividends or made any distributions on or with respect to the Company's equity interests or other equity securities or directly or indirectly redeemed or purchased any of the Company's equity interests or other equity securities;

(g) issued, granted, delivered or sold (or authorized the same) of any capital stock or other equity securities of the Company;

(h) suffered any labor trouble or claim of unfair labor practices, any change in the compensation payable or to become payable by it to any of its officers or employees other than normal merit increases to officers and employees in accordance with its usual practices, or any bonus payment or arrangement made to or with any of such officers or employees or any establishment or creation of any employment, deferred compensation or severance arrangement or employee benefit plan with respect to such Persons or, except as required by Law or the terms of any Benefit Plan or employment agreement listed on Schedule 3.13(a) (in each case, as such terms are in effect on the date hereof), the amendment of any of the foregoing;

(i) suffered any resignation, termination or removal of any officer or material loss of personnel or material change in the terms and conditions of the employment of any officer or key employee;

(j) incurred any contingent liability as guarantor or otherwise with respect to the obligations of others or any cancellation of any material debt or claim owing to, or waiver of any material right of, such Person, including any write-off or compromise of any accounts receivable other than in the ordinary course of business consistent with past practice;

(k) incurred any material damage, destruction or loss, whether or not covered by insurance;

(l) incurred any obligation or liability to any of its officers, directors, Significant Stockholders or other Affiliates, or made any loans or advances to any of its officers, directors, Significant Stockholders or other Affiliates, except normal compensation and expense allowances payable to officers in the ordinary course of business;

(m) undertaken any change in accounting methods or practices, collection policies, pricing policies or payment policies, other than changes required by GAAP;

(n) terminated or amended or modified any Material Contract;

(o) made any capital expenditures or commitments for capital expenditures exceeding $250,000;

(p) transferred or sold any Intellectual Property Assets or the subject matter of any Intellectual Property Assets or entered into any license agreement (other than non-exclusive end-user license agreements entered into by the Company and its Subsidiaries and

sales of Products and other inventory, in each case, in the ordinary course of business), distribution agreement, security agreement, assignment or other conveyance or option for the foregoing, with respect to any Intellectual Property Assets with any Person; or

(q) entered into any other material transaction other than in the ordinary course of business or any agreement or understanding whether in writing or otherwise, for the Company or any of its Subsidiaries to take any of the actions specified in paragraphs (a) through (o) above.

Section 3.23. Trade Controls and Foreign Corrupt Practice Act.

(a) The Company, its predecessors, and its current and former Subsidiaries have at all times been in compliance in all material respects with all applicable trade laws, including import and export control laws, trade embargoes, and anti-boycott laws, and, except as specifically authorized by a Governmental License, license exception, or other permit or applicable authorization of a Governmental Authority, have not:

(i) exported, reexported, transferred, or brokered the sale of any goods, services, technology, or technical data to any destination to which, or individual for whom, a license or other authorization is required under the U.S. Export Administration Regulations (the "EAR," 15 C.F.R. § 730 et seq.), the International Traffic in Arms Regulations (the "ITAR," 22 C.F.R. § 120 et seq.), or the U.S. economic sanctions administered by the Office of Foreign Assets Control ("OFAC," 31 C.F.R. Part 500 to 598, et seq.);

(ii) exported, reexported, or transferred any goods, services, technology, or technical data to, on behalf of, or for the benefit of any person or entity (A) designated as a Specially Designated National by OFAC, or (B) on the Denied Persons, Entity, or Unverified Lists of the Bureau of Industry and Security;

(iii) exported any goods, services, technology, or technical data that have been or will be used for any purposes associated with nuclear activities, missiles, chemical or biological weapons, or terrorist activities, or that have been or will be used, transshipped or diverted contrary to applicable U.S. trade controls;

(iv) exported, reexported, transferred, or imported any goods, services, technology, or technical data to or from Cuba, Iran, Libya, North Korea, Syria, or Sudan during a time at which such country was subject to a U.S. trade embargoes under OFAC regulations, the EAR, or any other applicable statute or Executive Order;

(v) manufactured any defense article as defined in the ITAR, including within the United States and without regard to whether such defense article was subsequently exported, without being registered and in good standing with the Directorate of Defense Trade Controls, U.S. Department of State;

(vi) except as set forth on Schedule 3.23(b), imported any goods except in compliance in all material respects with the import and Customs laws of the United States, including but not limited to Title 19 of the United States Code, Title 19 of the Code of Federal

Regulations, and all other regulations administered or enforced by the Bureau of Customs and Border Protection; or

(vii) violated the antiboycott prohibitions, or failed to comply with the report requirements, of the EAR (15 C.F.R. § 760) and the Tax Reform Act of 1976 (26 U.S.C. § 999).

(b) The Company and its Subsidiaries have in place adequate controls to ensure material compliance with any applicable Laws pertaining the export and import of goods, services, and technology, including without limitation the EAR, the ITAR, the U.S. economic sanctions administered by OFAC, and the import and Customs laws. None of the Company, its predecessors, or any of its Subsidiaries has undergone or is undergoing, any audit, review, inspection, investigation, survey or examination by a Governmental Authority relating to export, import, or other trade-related activity. Except as set forth in Schedule 3.23(b), to the Knowledge of the Company, there are no threatened claims, nor presently existing facts or circumstances that would constitute a reasonable basis for any future claims, with respect to exports, imports, or other trade-related activity by the Company, its predecessors, or its current or former Subsidiaries.

(c) Except for authorizations that can be obtained expeditiously without material cost, no authorization from any Governmental Authority for the transfer to Buyer of any Governmental License material to the Company's business is required by reason of the transactions contemplated hereby.

(d) None of the Company, any of its predecessors or any of its current or former Subsidiaries (nor, to the Knowledge of the Company, any of their respective employees, officers or directors) has taken or failed to take any action which would cause it to be in violation of the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), or any rules or regulations thereunder if such Law, rules and regulations were applicable thereto. Neither the Company nor any of its Subsidiaries (nor, to the Knowledge of the Company, any of their respective employees, officers or directors or any third-party acting on behalf of the Company or any of its Subsidiaries) has offered, paid, promised to pay, or authorized, or will offer, pay, promise to pay, or authorize, directly or indirectly, the giving of money or anything of value to any Official, or to any other Person while knowing or being aware of a likelihood that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any Official, for the purpose of: (i) influencing any act or decision of such Official in his, her or its official capacity, including a decision to fail to perform his, her or its official duties or functions; or (ii) inducing such Official to use his, her or its influence with any Governmental Authority to affect or influence any act or decision of such Governmental Authority, or to obtain an improper advantage in order to assist the Company, any of its Subsidiaries or any third party in obtaining or retaining business for or with, or directing business to, the Company or any of its Subsidiaries. For purposes of this Agreement, an "Official" shall include any appointed or elected official, any government employee, any political party, party official, or candidate for political office, or any officer, director or employee of any Governmental Authority or employees of state-owned or state-controlled businesses. The Company and each of its Subsidiaries have in place adequate controls and systems to ensure compliance with applicable Laws pertaining to anticorruption, including the

FCPA, in each of the jurisdictions in which the Company or any of its Subsidiaries currently does or in the past has done business, either directly or indirectly. To the Knowledge of the Company, no event, fact or circumstance has occurred or exists that would reasonably be expected to result in a finding of noncompliance with any applicable anticorruption Law.

(e) Neither the Company nor any of its Subsidiaries (nor, to the Knowledge of the Company, any of their respective employees, officers, directors or agents) (i) has used or is using any corporate funds for any illegal contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) has used or is using any corporate funds for any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees or any other person, (iii) has violated or is violating any provision of the FCPA, (iv) has established or maintained, or is maintaining, any unlawful fund of corporate monies or other properties or (v) has made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment of any nature

Section 3.24. Bank Accounts. Schedule 3.24 sets forth the names and addresses of all banks, trust companies, savings and loan associations and other financial institutions at which each of the Company and each of its Subsidiaries maintains an account, deposit, safe deposit box, lock box or other arrangement for the collection of accounts receivable or line of credit or other loan facility relationship, or account of any nature, and the names of all Persons authorized to draw there, make withdrawals therefrom or have access thereto.

Section 3.25. Warranty Matters. Schedule 3.25 sets forth a complete list of (a) all forms of material warranties used by the Company or any of its Subsidiaries, (b) any material outstanding warranties not substantially in the form(s) provided for pursuant to the preceding subclause (a), (c) each claim in excess of $100,000 under the product and service warranties or guaranties provided by the Company or its Subsidiaries (i) pending or, to the Knowledge of the Company, threatened or (ii) made since January 1, 2008 and (d) each stock-keeping unit (SKU) for which claims in excess of $100,000 under the product and service warranties or guaranties provided by the Company or its Subsidiaries for such stock-keeping unit (SKU) (i) are pending or, to the Knowledge of the Company, threatened or (ii) have been made since January 1, 2008 (together with the related claims).

Section 3.26. Governmental Consents, etc. Except for the applicable requirements of the HSR Act or any other applicable Competition Law and except as set forth on the Schedule 3.26, no Governmental License, consent, approval or authorization of, or declaration to or filing with, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement or the other Transaction Documents by the Company or the consummation by the Company of any other transaction contemplated hereby or thereby.

Section 3.27. Illegal Payments. None of the Company, any of its Subsidiaries or, to the Knowledge of the Company, any Affiliate of the Company or its Subsidiaries has ever offered, made or received on behalf of the Company or any of its Subsidiaries any illegal payment or contribution of any kind, directly or indirectly, including, payments, gifts or gratuities, to any Person, including any United States or foreign national, state or local government officials, employees or agents or candidates therefor or other Persons.

Section 3.28. State Takeover Statutes. No "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute, regulation or Law or any anti-takeover provision in the Company's Organizational Documents is, or at Closing will be, applicable to the Company, the capital stock of the Company or the Merger.

Section 3.29. Disclosure. The representations and warranties made or contained in this Agreement and the Disclosure Schedules, when taken together, do not contain any untrue statement of a material fact and do not omit to state a material fact required to be stated herein or therein or necessary in order to make such representations and warranties not misleading in the light of the circumstances in which they were made or delivered.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE BUYER PARTIES

Each Buyer Party hereby represents and warrants to the Company as follows:

Section 4.1. Organization.

(a) Buyer is a Delaware corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware and has the corporate power and authority to enter into and perform this Agreement. MergerCo is a Florida corporation duly incorporated, validly existing and in good standing under the State of Florida and has the corporate power and authority to enter into and perform this Agreement.

(b) Each Buyer Party was formed solely for the purpose of engaging in the transactions contemplated by this Agreement. All of the issued and outstanding capital stock of MergerCo is validly issued, fully paid and non-assessable and is owned, beneficially and of record, by Buyer free and clear of all Liens.

(c) Except for (i) obligations or liabilities incurred in connection with its incorporation or organization and (ii) this Agreement and the other Transaction Documents or in furtherance of the transactions contemplated hereby, no Buyer Party has incurred, directly or indirectly, through any of its Subsidiaries or Affiliates, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person.

Section 4.2. Authorization. Each Buyer Party has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby. The execution, delivery and performance by each Buyer Party of this Agreement and the other Transaction Documents to which it is or will be a party, and such Buyer Party's consummation of the transactions contemplated hereby, have been duly authorized by all requisite action of such Buyer Party.

Section 4.3. Binding Agreement. This Agreement and each Transaction Document to which a Buyer Party is or will be a party will constitute a valid and binding agreement of such Buyer Party, enforceable against such Buyer Party in accordance with its terms, except as

enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect affecting the enforcement of creditors' rights generally (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.4. No Breach. The execution, delivery and performance by each Buyer Party of this Agreement, each Transaction Document to which it is or will be a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate the Organizational Documents of such Buyer Party, (ii) violate any applicable Law or Order, (iii) require any action by or in respect of, or filing with any Governmental Authority (except for any such actions required by the HSR Act or any other Competition Law and the filing and recordation of the Articles of Merger as required by the FBCA), or (iv) require any consent or other action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Buyer Party under any provisions of any material agreement or other material instrument binding upon such Buyer Party.

Section 4.5. Litigation. There are no (a) outstanding Orders of any Governmental Authority against any Buyer Party or any of their respective Affiliates, which have or could have a material adverse effect on the ability of such Buyer Party to consummate the transactions contemplated hereby, or (b) actions, suits, claims or legal, administrative or arbitration proceedings or investigations pending or, to the Knowledge of Buyer, threatened against any Buyer Party, which have or could have a material adverse effect on the ability of any Buyer Party to consummate the transactions contemplated hereby.

Section 4.6. Financing.

(a) Buyer and MergerCo have delivered to the Company true and complete copies of (a) a fully executed commitment letter (the "Debt Commitment Letter") from General Electronic Capital Corporation to provide Buyer with debt financing in an aggregate amount of up to $205,000,000, and (b) a fully executed commitment letter (the "Equity Commitment Letter," and together with the Debt Commitment Letter, the "Commitment Letters") from Sponsor to provide equity financing to the Buyer in an amount up to $117,000,000 minus the Rollover Amount, each on the terms and conditions set forth therein. The Debt Commitment Letter, in the form so delivered, is a legal, valid and binding obligation of Buyer and, to the Knowledge of Buyer, the other parties thereto. The Equity Commitment Letter, in the form so delivered, is in full force and effect and is a legal, valid and binding obligation of the parties thereto. As of the date hereof, no event has occurred which, with or without notice, lapse of time or both, would, individually or in the aggregate, constitute a default or breach on the part of the Buyer under any term or condition of any Commitment Letter. The aggregate proceeds contemplated by the Commitment Letters (as defined below), together with available cash of Buyer and MergerCo, will be sufficient for Buyer and MergerCo to pay the Aggregate Stockholder Proceeds and the Aggregate Option Proceeds hereunder and to pay all other amounts required to be paid by the Buyer or MergerCo at the Closing pursuant to the terms of this Agreement (including, but not limited to, the Repaid Indebtedness and Transaction Expenses pursuant to Section 2.8), and all of its and its Representatives' fees and expenses incurred in connection with the transactions contemplated by this Agreement.

(b) Buyer has fully paid (or caused to be fully paid) all commitment fees or other fees due in connection with the Commitment Letters that are payable on or prior to the date of this Agreement. As of the date of this Agreement, neither Buyer nor MergerCo is in breach of any provision of either of the Commitment Letters; provided, however, that neither Buyer nor MergerCo is making any representation or warranty in this Section 4.6(b) regarding the effect of any misrepresentation or breach of any of the representations and warranties of the Company contained in Article 3, the failure of the Company to perform any of its obligations under this Agreement or the failure to be satisfied of any of the conditions to the obligations of Buyer and MergerCo to consummate the Merger.

Section 4.7. Limited Guaranty. Concurrently with the execution of this Agreement, the Sponsor has delivered to the Company the duly executed Limited Guaranty. The Limited Guaranty is in full force and effect and is the valid, binding and enforceable obligation of the Sponsor, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.8. Investment Intent. Buyer is acquiring the common stock of the Surviving Corporation for its own account, for investment purposes only and not with a view toward, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling such securities in violation of the federal securities Laws or any applicable foreign or state securities Law.

Section 4.9. Brokers. 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 or alleged to have been made by or on behalf of Buyer, MergerCo or any of their respective Affiliates.

Section 4.10. Investigation by Buyer and MergerCo. In entering into this Agreement, each of Buyer and MergerCo acknowledges that it is not relying on any factual representations or opinions of the Company, any Company Subsidiary, or any of their respective Representatives, except for the specific representations and warranties of the Company set forth in this Agreement and the representations and warranties made by each Securityholder in such Securityholder's Voting Agreement, Letter of Transmittal and/or Optionholder Acknowledgement (as applicable), and each of Buyer and MergerCo acknowledge and agree that the representations and warranties made by the Company in this Agreement are the exclusive representations and warranties regarding the Company and its Subsidiaries, except for the representations and warranties regarding capitalization made by each Securityholder in such Securityholder's Voting Agreement, Letter of Transmittal and/or Optionholder Acknowledgement (as applicable).

ARTICLE 5

COVENANTS

Section 5.1. Affirmative Covenants of the Company. The Company hereby covenants and agrees that, from the date hereof through and including the Closing Date, unless otherwise

expressly contemplated by this Agreement or consented to in writing by Buyer, each of the Company and each of its Subsidiaries shall use all reasonable commercial efforts to:

(a) operate their respective businesses in the usual and ordinary course consistent with past practice;

(b) preserve intact the business organizations and goodwill of the Company and its Subsidiaries, keep available the services of their respective officers and employees consistent with past practice and maintain their respective relationships with those Persons having business relationships with them on the date of this Agreement;

(c) maintain and keep its properties and assets in as good repair and condition as at present, ordinary wear and tear excepted;

(d) (i) maintain all Governmental Licenses that are used or necessary for the Company and its Subsidiaries to conduct their respective businesses as it is then conducted in full force and effect, and (ii) file timely, all reports, statements, renewals applications and other filings that are required to keep such Governmental Licenses in full force and effect, and pay timely all fees and charges in connection therewith that are required to keep the Governmental Licenses in full force and effect;

(e) keep in full force and effect insurance comparable in amount and scope of coverage to that currently maintained;

(f) operate its business in all material respects in compliance with all applicable Laws;

(g) make capital expenditures in the ordinary course of business, substantially consistent with the Company's existing budget for capital expenditures (a true, correct and complete copy of which has been Delivered); and

(h) cooperate with Buyer in its investigation of the Company's and its Subsidiaries' respective businesses and its properties, to permit Buyer and its authorized representatives, at the sole cost of Buyer, to (i) have reasonable access to the Company's premises, books and records, during normal business hours and with reasonable prior written notice, (ii) visit and visually inspect any of the Company's properties during normal business hours and with reasonable prior written notice, and (iii) discuss its affairs, finances and accounts with the Company's key employees.

Section 5.2. Negative Covenants of the Company. Except as expressly contemplated by this Agreement and except as set forth in Schedule 5.2 or otherwise consented to in writing by Buyer, which consent shall not be unreasonably withheld, conditioned or delayed, from the date hereof until the Closing Date, neither the Company nor any of its Subsidiaries shall:

(a) (i) grant or increase the amount of any severance or termination payable to (or amend any existing arrangement with) any director, officer or employee of the Company or any Subsidiary of the Company, other than payments to employees upon termination in accordance with the written employment and severance agreements listed on Schedule 3.9

pursuant to the terms in effect on the date of this Agreement, (ii) increase benefits payable under any existing severance or termination pay policies or employment agreements, except such changes as may be required in order to comply with applicable Law, (iii) enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director or officer of the Company or any of its Subsidiaries or with any employee of the Company or any of its Subsidiaries whose total annual compensation would exceed $120,000, (iv) establish, adopt or amend (except as required by applicable Law) any collective bargaining, bonus, profit-sharing, thrift, pension, retirement, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of the Company or any Subsidiary of the Company or (v) except as required by the terms of any Benefit Plan or employment agreement listed on Schedule 3.13(a) (in each case, as such terms are in effect on the date of this Agreement), increase compensation, bonus or other benefits payable to any director, officer or employee of the Company or any Subsidiary of the Company (other than salary increases for non-officer employees in the ordinary course of business and not in excess of five percent (5%) of such employee's salary on December 31, 2010);

(b) (i) declare, set aside or pay any dividends or make any distributions on or with respect to the Company's equity interests or other Company equity securities; (ii) redeem, repurchase or otherwise reacquire any shares of its capital stock or any securities or obligations convertible into or exchangeable for any shares of its capital stock, or any options, warrants or conversion or other rights to acquire any shares of its capital stock or any such securities or obligations; (iii) effect any reorganization, recapitalization, dividend payable in stock or other equity securities, equity split or like change in its capitalization; or (iv) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for, shares of its capital stock;

(c) except for the issuance of Common Stock upon proper exercise of stock options outstanding as of the date hereof in accordance with the terms of such stock option in effect on the date hereof, issue, pledge, deliver, award, grant or sell, or agree to or authorize or propose the issuance, pledge, delivery, award, grant or sale (including the grant of any encumbrances) of, any shares of any class of its capital stock (including shares held in treasury), any securities convertible into or exercisable or exchangeable for any such shares, or any rights, warrants or options to acquire, any such shares;

(d) (i) acquire, merge or consolidate with or agree to acquire, merge or consolidate with, by purchasing an equity interest in or a portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or, except for the acquisition of inventory in the ordinary course of business, otherwise acquire or agree to acquire any assets of any other Person or (ii) make or commit to make any capital contributions or other investments, other than investments by the Company in any of its wholly-owned Subsidiaries and investments that do not exceed $250,000 in the aggregate for all such other investments that occur from the date hereof;

(e) sell, lease, exchange, mortgage, pledge, transfer or otherwise dispose of, or agree to sell, lease, exchange, mortgage, pledge, transfer or otherwise encumber or dispose

of, any of its assets, other than the disposition of Products and other inventory in the ordinary course of business;

(f) propose or adopt any amendments to its Organizational Documents or take any steps towards dissolution;

(g) make any change in any of its methods of accounting or make any reclassification of assets or liabilities, except as may be required by Law or GAAP;

(h) create or incur any Liens on any assets of the Company or any of its Subsidiaries, except for Permitted Liens and Liens arising pursuant to the Senior Credit Agreement;

(i) enter into or amend any agreements pursuant to which any other party is granted exclusive rights of any material type or scope;

(j) enter into any operating lease with an aggregate value in excess of $100,000;

(k) make any capital expenditures, capital additions or capital improvements other than expenditures in the ordinary course of business consistent with past practice in amounts not exceeding $250,000 in the aggregate;

(l) enter into any Material Contract or Lease (or any Contract that would have been a Material Contract if it had been entered into prior to the date hereof) or amend any such Material Contract or Lease; provided, that if such amendment is not material or is executed in the ordinary course of business consistent with past practice and the Company delivers a copy of such amendment to Buyer at least twenty-four (24) hours prior to the execution thereof, the prior written consent of Buyer shall not be required for such amendment;

(m) make or change any Tax election, change any annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement or, settle any Tax claim or assessment, surrender any right to any claim or Tax refund, or consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment;

(n) pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), except the payment, discharge or satisfaction of liabilities or obligations in the ordinary course of business consistent with past practice or in accordance with the terms thereof as in effect as of the date hereof, or waive, release, grant or transfer any rights of material value or modify or change in any material respect any Material Contract or Lease, in each case, other than in the ordinary course of business consistent with past practice;

(o) settle or compromise any litigation;

(p) make any payment to an Affiliate, except (i) in accordance with the terms of any Material Contract as in effect on the date of this Agreement or (ii) compensation to employees in the ordinary course of business;

(q) incur any Indebtedness or issue, sell or amend any Indebtedness or make any loans or advances (other than routine advances to employees of the Company and its Subsidiaries in the ordinary course of business and consistent with past practices) to any other Person;

(r) pay or otherwise discharge any Taxes or Indebtedness; or

(s) intentionally take, or offer or propose to take, or agree to take in writing or otherwise, any of the actions described in this Section 5.2 that require the consent of Buyer or any action which would result in any of the conditions set forth in Article 6 not being satisfied.

Section 5.3. Competing Transactions.

(a) During the period beginning on the date of this Agreement and continuing until 5:00 p.m. New York City Time on June 16, 2011 (the "Go-Shop Period"), the Company (directly or through its Representatives) shall have the right to: (i) solicit, initiate, knowingly encourage or facilitate the submission of any inquiry, indication of interest, proposal or offer that constitutes (or multiple inquiries, indications of interest, proposals or offers that cumulatively would constitute), or may reasonably be expected to lead to, an Acquisition Proposal by any Person, (ii) participate in or facilitate any discussions or negotiations regarding, or furnish any non-public information (including a copy of this Agreement) to any Person in connection with, an Acquisition Proposal; provided, however, that prior to providing access to non-public information to any Person specified in the foregoing clauses (i) or (ii) (a "Go-Shop Party") the Company shall require such Go-Shop Party to enter into an Acceptable Confidentiality Agreement; and provided further, however, that the Company shall promptly (and in any event within forty-eight (48) hours) provide to Buyer any material non-public information concerning the Company or its Subsidiaries that is provided to any such Go-Shop Party given such access that was not previously provided to Buyer or its Representatives. For the purposes of this Agreement, "Acceptable Confidentiality Agreement" means any customary confidentiality agreement that contains provisions that are no less favorable in the aggregate to the Company than those contained in the Confidentiality Agreement and including customary "standstill" provisions and that permits the Company to comply with its obligations under this Agreement, except that an Acceptable Confidentiality Agreement entered into during the Go-Shop Period need not prohibit the submission of Acquisition Proposals or amendments thereto to the Company Board. Notwithstanding the foregoing, the Company shall, and shall cause its Representatives to, immediately upon the expiration of the Go-Shop Period, cease and direct to be terminated any solicitation, discussion, or negotiation with any Go-Shop Parties, other than any Excluded Parties, conducted prior to the expiration of the Go-Shop Period by the Company, its Subsidiaries, or any of the Company's Representatives with respect to any Acquisition Proposal and shall promptly request the return or destruction of all confidential information provided by or on behalf of the Company or any of its Subsidiaries to such Go-Shop Parties (other than any Excluded Parties) in connection with the consideration of any Acquisition

Proposal. For the avoidance of doubt, except as expressly provided in Section 5.3(d) below, neither the Company nor any of its Subsidiaries shall (x) enter into, with any Go-Shop Party, any letter of intent or agreement in principle or other agreement related to an Acquisition Proposal (other than an Acceptable Confidentiality Agreement) or enter into any agreement or agreement in principle with any Go-Shop Party requiring the Company to abandon, terminate or fail to consummate the transactions contemplated hereby or breach its obligations hereunder or resolve, propose or agree to do any of the foregoing, or (y) terminate, amend, waive or fail to enforce any rights under any "standstill" or other similar agreement between the Company or any of its Subsidiaries, on one hand, and any Person, on the other hand.

(b) The Company shall and shall cause each of its Subsidiaries and Representatives to (i) from 5:01 p.m., New York City time on June 16, 2011 (the "No-Shop Period Start Date") cease any solicitation, encouragement, discussions or negotiations with any Persons that may be ongoing with respect to an Acquisition Proposal and (ii) from the No-Shop Period Start Date until the Effective Time or, if earlier, the termination of this Agreement in accordance with Article VIII, not to, directly or indirectly, (i) solicit, initiate, knowingly encourage or facilitate the submission of any inquiry, indication of interest, proposal or offer that constitutes (or multiple inquiries, indications of interest, proposals or offers that cumulatively would constitute), or may reasonably be expected to lead to, an Acquisition Proposal, (ii) participate in or facilitate or continue any discussions or negotiations regarding, or furnish any non-public information to any Person (other than the Buyer Parties and any Excluded Parties) in connection with, an Acquisition Proposal, (iii) enter into any letter of intent or agreement in principle or other agreement related to an Acquisition Proposal (other than an Acceptable Confidentiality Agreement) or enter into any agreement or agreement in principle requiring the Company to abandon, terminate or fail to consummate the transactions contemplated hereby or breach its obligations hereunder or resolve, propose or agree to do any of the foregoing, or (iv) terminate, amend, waive or fail to enforce any rights under any "standstill" or other similar agreement between the Company or any of its Subsidiaries, on one hand, and any Person, on the other hand. Any violation of this Section 5.3(b) by any Subsidiary of the Company, or by any Representative of the Company or any Subsidiary of the Company, shall constitute a breach hereof by the Company. No later than two (2) business days after the No-Shop Period Start Date, the Company shall (x) notify Buyer in writing of the identity of each Person that submitted an Acquisition Proposal prior to the No-Shop Period Start Date and (y) provide to Buyer (1) an unredacted copy of any such Acquisition Proposal made in writing provided to the Company or any of its Subsidiaries (including any financing commitments relating thereto) and (2) a written summary of the material terms of any such Acquisition Proposal not made in writing (including any financing commitments).

(c) Notwithstanding anything to the contrary provided in this Agreement, from and after the No-Shop Period Start Date and prior to the date on which the Stockholder Approval is obtained, if (i) the Company has not breached any provision of this Section 5.3 and (ii) the Company or its Representatives receive a *bona fide* written Acquisition Proposal from a third party that the Company Board determines in good faith, after consultation with its outside legal counsel, constitutes, or is reasonably likely to lead to, a Superior Proposal, and the Company Board determines in good faith, after consultation with its outside legal counsel and financial advisor, that the failure to take such action would be inconsistent with the Company Board's fiduciary duties under applicable Law, provided that such Acquisition Proposal was

either made by an Excluded Party or made or renewed without any solicitation by the Company or any of its Subsidiaries or Representatives from and after the No-Shop Period Start Date, then the Company may take the following actions: (A) furnish non-public and other information to the third party making such Acquisition Proposal (a "Qualified Bidder"), and (B) engage in discussions or negotiations with the Qualified Bidder and its Representatives with respect to the Acquisition Proposal; provided that (x) the Company receives from the Qualified Bidder an executed Acceptable Confidentiality Agreement, (y) forty-eight (48) hours prior to engaging in such discussions or negotiations, or furnishing such non-public information, the Company gives Buyer written notice of the identity of such Qualified Bidder and provides to Buyer (1) an unredacted copy of any such Acquisition Proposal made in writing provided to the Company or any of its Subsidiaries (including any financing commitments relating thereto) and (2) a written summary of the material terms of any such Acquisition Proposal not made in writing (including any financing commitments), and (z) the Company concurrently provides or makes available to Buyer any non-public information concerning the Company or its Subsidiaries provided or made available to such Qualified Bidder that was not previously delivered to Buyer.

(d) Neither the Company Board nor any committee of the Company Board may (i)(A) fail to make, amend, change, qualify, withhold, withdraw or modify, or publicly propose to amend, change, qualify, withhold, withdraw or modify, in a manner adverse to Buyer or MergerCo, the Company Recommendation, or (B) adopt, approve, endorse or recommend, or publicly propose to adopt, approve, endorse or recommend to the Stockholders, any Acquisition Proposal, (ii) fail to recommend against acceptance of any tender or exchange offer for the Common Stock within ten (10) business days after commencement of such offer, (iii) make any public statement inconsistent with the Company Recommendation or (iv) resolve to do any of the foregoing (actions described in clauses (i)-(iii) being referred to as an "Adverse Recommendation"); provided, however, that notwithstanding the foregoing, the Company Board may effect an Adverse Recommendation at any time from and after the date hereof and prior to the time, but not after, on which the Stockholder Approval is obtained, if and only if (A) the Company Board has received an Acquisition Proposal from a third party that constitutes a Superior Proposal, (B) the Company has not breached Section 5.3(a) or Section 5.3(b), (C) the Company Board reasonably determines in good faith (after consultation with outside legal counsel), that, in light of such Superior Proposal, the failure of the Company Board to effect an Adverse Recommendation would be inconsistent with the Company Board's fiduciary duties under applicable Law, (D) prior to effecting such Adverse Recommendation, the Company Board shall have given Buyer at least four (4) Business Days' notice thereof (provided, such period shall be reduced to forty-eight (48) hours during the Go-Shop Period) and the opportunity to meet with the Company Board and its outside legal counsel, with the purpose and intent of enabling Buyer (if it so chooses in its sole discretion) and the Company to discuss in good faith a modification of the terms and conditions of this Agreement so that the transactions contemplated by this Agreement may be effected (it is agreed that if a third party making an Acquisition Proposal referred to in this sentence modifies a material term of its proposal, the notice period referred to in this sentence shall recommence), (E) at the end of the applicable notice period, the Company Board determines in good faith, after taking into account all amendments, if any, proposed and agreed to in writing by Buyer and after consultation with its outside legal counsel and financial advisor, that such Acquisition Proposal remains a Superior Proposal relative to the transactions contemplated by this Agreement and (F) the

Company concurrently terminates this Agreement pursuant to Section 8.1(h) in order to enter into a definitive agreement for a Superior Proposal.

(e) From and after the date of this Agreement, in addition to the obligations of the Company set forth in Section 5.3(b) and Section 5.3(c), the Company shall keep Buyer promptly and currently informed of the status, details, terms and conditions (including all amendments or proposed amendments) of any inquiry, request, proposal, expression of interest or Acquisition Proposal, and shall in any event notify Buyer within forty-eight (48) hours of any material development (including any material amendment or proposed material amendment).

Section 5.4. Press Releases and Announcements. The Company and Buyer have agreed upon the form and substance of the joint press release to be issued by the Company and Buyer, announcing the execution of this Agreement, which shall be issued promptly following the execution and delivery hereof. Subject in the case of the Company to Section 5.11, and except, in the case of the Company, with respect to any Adverse Recommendation made in accordance with this Agreement, each of the Company and Buyer agrees that no public release, announcement, and/or other public statement with respect to the transactions contemplated hereby shall be issued prior to consulting with and considering in good faith the views of the other party, and except as such public release, announcement, and/or other public statement may be required by applicable Law or the rules or regulations of any applicable regulatory body or Governmental Entity to which the relevant party is subject, in which case the party required to make the public release, announcement, and/or other public statement shall use its commercially reasonable efforts to allow each other party reasonable time to comment on such public release, announcement, and/or other public statement in advance of such issuance. Each of the parties acknowledges that, following the termination of this Agreement pursuant to Article IX, that certain Confidentiality/Non-Disclosure Agreement by and between Charlesbank Capital Partners and the Company, dated as of February 22, 2011 (the "Confidentiality Agreement") shall remain in full force and effect pursuant to its terms (it being agreed that compliance with the terms of this Section 5.4 shall not constitute a breach of the Confidentiality Agreement).

Section 5.5. Employees and Benefit Plans. As of and subsequent to the Effective Time, the Buyer shall, or shall cause the Surviving Corporation and/or the appropriate Subsidiaries of the Buyer to (a) provide the employees of the Company and its Subsidiaries as of immediately prior to the Effective Time who continue to be employed by the Buyer, the Surviving Corporation and/or its Subsidiaries on and after the Effective Time (the "Covered Employees") with service credit for purposes of eligibility, participation, vesting and levels of benefits (but not for benefit accruals under any defined benefit pension plan), under any employee benefit or compensation plan, program or arrangement adopted, maintained or contributed to by Buyer or the Surviving Corporation and/or their Subsidiaries in which Covered Employees are eligible to participate (the "Buyer Plans") for all periods of employment with the Company or its Subsidiaries (or any predecessor entities) prior to the Effective Time, and with Buyer, the Surviving Corporation and any of their Subsidiaries or Affiliates on and after the Effective Time; (b) to the extent permitted by the Buyer Plans, cause any pre-existing conditions or limitations, eligibility waiting periods or required physical examinations under any Buyer Plan to be waived with respect to the Covered Employees and their eligible dependents, to the extent waived under the corresponding plan in which the applicable Covered Employee participated

immediately prior to the Effective Time; and (c) give the Covered Employees and their eligible dependents credit for the plan year in which the Effective Time (or commencement of participation in a plan of Buyer or the Surviving Corporation) occurs towards applicable deductibles and annual out-of-pocket limits for expenses incurred prior to the Effective Time (or the date of commencement of participation in any Buyer Plan).

Section 5.6. Tax Matters.

(a) All transfer, documentary, sales, use, registration, filing, recordation (including the cost of recording the assignment or transfer of Intellectual Property Assets), ad valorem, value added, bulk sales, goods and services, stamp duties, excise, license or similar fees or taxes (including penalties and interest) payable in connection with the transactions contemplated by this Agreement (collectively, "Transfer Taxes") shall be borne by the Company. The Company and the Buyer Parties shall cooperate with each other in the provision of any information or preparation of any documentation that may be necessary or useful for obtaining any available mitigation, reduction or exemption from any Transfer Taxes.

(b) The Company and the Buyer Parties shall cooperate in good faith with respect to any Tax Returns to be filed by the Company or any of its Subsidiaries subsequent to the date hereof and prior to the Closing Date. Without limitation of the foregoing, the Company shall deliver to Buyer all income Tax Returns to be filed by the Company or any of its Subsidiaries subsequent to the date hereof and prior to the Closing Date a reasonable period of time prior to the date for filing such returns. In the event of any disagreement with respect to the manner in which any item is reflected upon any such Tax Return, the Company and Buyer shall cooperate in good faith to reach an agreement with respect to such item, which agreement shall not be unreasonably withheld, conditioned or delayed.

(c) The Company and the Buyer Parties, as applicable, shall also execute and deliver such other Tax elections and forms as they may mutually agree upon.

Section 5.7. HSR Filing; Consents.

(a) As promptly as practicable, and in any event within ten (10) days following the execution and delivery of this Agreement, Buyer and the Company, as applicable, shall prepare and file any necessary or advisable notification, application or other document under the HSR Act or other applicable Competition Law in connection with the transactions contemplated hereby. Any filing fee or other fee under the HSR Act or other applicable Competition Law and incurred with respect to such filings pursuant to this Section 5.7 shall be paid by Buyer. Buyer and the Company shall request and seek, and shall not take any action that will have the effect of delaying, impairing or impeding the receipt of, the early termination of any applicable waiting or suspension periods, or if applicable the early approval of or clearance by, any Governmental Authority, under the HSR Act or other applicable Competition Law.

(b) In connection with the transactions contemplated hereby and any filings pursuant to this Section 5.7, the Company and Buyer shall each: (i) promptly notify the other party of any written or oral communication from, and permit the other to review in advance any

proposed written communication to, the FTC, DOJ or any other Competition Authority, except that the parties shall be permitted to exchange proprietary and confidential information only between each other's outside counsel; (ii) not agree to participate in any substantive meeting or discussion with the FTC, DOJ or any other Competition Authority unless it consults with the other party in advance and, to the extent permitted by such Governmental Authority, gives the other party or its counsel the opportunity to attend and participate in such meeting; and (iii) furnish the other party with copies of all correspondence, filings, and communications with the FTC, DOJ or any other Competition Authority, except to the extent prohibited by applicable Law or the instructions of such Governmental Authority.

(c) The Company and the Buyer Parties shall use their respective commercially reasonable efforts to obtain, on or prior to the Closing, the Required Consents and Waivers.

Section 5.8. Conditions. The Company shall use commercially reasonable efforts to cause the conditions set forth in Article 6 to be satisfied and to consummate the transactions contemplated herein and in any other document or agreement contemplated hereby as soon as reasonably possible after the satisfaction of the conditions set forth in Article 6 and Article 7 (other than those to be satisfied at the Closing). Buyer shall use commercially reasonable efforts to cause the conditions set forth in Article 7 to be satisfied and to consummate the transactions contemplated herein and in any other document or agreement contemplated hereby as soon as reasonably possible after the satisfaction of the conditions set forth in Article 6 and Article 7 (other than those to be satisfied at the Closing).

Section 5.9. Director and Officer Liability, Indemnification and Insurance.

(a) Each of Buyer and MergerCo agrees that all rights to indemnification or exculpation existing in favor of, and all limitations on the personal liability of, each present and former director, officer, employee, fiduciary and agent of the Company and its Subsidiaries (each, a "Company Indemnitee") provided for in the Organizational Documents of the Company and its Subsidiaries shall continue in full force and effect for a period of six (6) years from the date hereof; provided, however, that all rights to indemnification in respect of any claims asserted or made within such period shall continue until the disposition of such claim. From and after the date hereof, Buyer and the Surviving Corporation also agree to indemnify and hold harmless the present and former officers and directors of the Company and its Subsidiaries in respect of acts or omissions occurring prior to the date hereof to the extent provided in any written indemnification agreements between the Company and/or one or more its Subsidiaries and such officers and directors.

(b) Prior to the Effective Time, the Company shall purchase an extended reporting period endorsement under the Company's existing directors' and officers' liability insurance coverage for the Company's directors and officers in a form acceptable to the Company that shall provide such directors and officers with coverage for six (6) years following the date hereof of not less than the existing coverage and have other terms not materially less favorable to, the insured persons than the directors' and officers' liability insurance coverage presently maintained by the Company (the "D&O Tail Policy"). Buyer

shall, and shall cause the Surviving Corporation to, maintain such policy in full force and effect, and continue to honor the obligations thereunder.

(c) The obligations under this Section 5.9 shall not be terminated or modified in such a manner as to adversely affect any Company Indemnitee to whom this Section 5.9 applies without the consent of such affected Company Indemnitee (it being expressly agreed that the Company Indemnitees to whom this Section 5.9 applies shall be third party beneficiaries of this Section 5.9 and shall be entitled to enforce the covenants contained herein).

Section 5.10. Financial Statements. The Company shall deliver to Buyer as promptly as practical after the end of each month ending on or after the date hereof but prior to the Closing Date, the unaudited consolidated balance sheet of the Company and the related unaudited consolidated statements of operations and, if and to the extent prepared in the ordinary course of business, changes in cash flows as of and for each such month, which financial statements shall be prepared in accordance with the Company's prior practice for such financial statements and fairly present, in all material respects, the consolidated financial position and the consolidated results of operations and, if and to the extent prepared in the ordinary course of business, cash flows (subject in each case to normal year-end adjustments) of the Company and its consolidated Subsidiaries as of the dates and for the periods referred to therein.

Section 5.11. Proxy Statement; Stockholder Meeting.

(a) The Company shall use reasonable best efforts to solicit and obtain the Stockholder Approval. In connection with the foregoing, the Company shall deliver to all of the Stockholders, as soon as practicable after the execution of this Agreement (and in no event later than fifteen (15) Business Days after the date of this Agreement), a proxy statement with respect to the Stockholders Meeting soliciting the Stockholder Approval (the "Proxy Statement"). The Proxy Statement shall comply with applicable Law and the Company's Organization Documents.

(b) Buyer and the Company shall cooperate with one another in connection with the preparation of the Proxy Statement and shall furnish all information concerning such party as the other party may reasonably request in connection with the preparation of the Proxy Statement. All mailings to the Stockholders in connection with this Agreement, the Merger and the other transactions contemplated hereby (including the Proxy Statement) shall be subject to the prior review and approval by Buyer, which approval shall not be unreasonably withheld, conditioned or delayed. In furtherance of the foregoing, prior to the delivery of the Proxy Statement to the Stockholders, the Company shall provide Buyer with reasonable opportunity (and in no event, less than two (2) Business Days) to review and provide comments on the Proxy Statement.

(c) The Company, acting through the Company Board, shall duly call, give notice of, convene and hold (no earlier than the next Business Day after the expiration of the Go-Shop Period and no later than June 30, 2011) a meeting of the Stockholders (including any adjournment or postponement thereof, the "Stockholders Meeting") for the purpose of obtaining the affirmative vote of the holders of a majority of the outstanding shares of Common Stock

entitled to vote thereon at the Stockholders Meeting to adopt this Agreement and approve the Merger contemplated hereby (the "Stockholder Approval"). The Proxy Statement shall include the recommendation of the Company Board that the Stockholders adopt this Agreement and approve the Merger (the "Company Recommendation"). The Company shall take all action that is both reasonable and lawful to solicit from its Stockholders the Stockholder Approval, and shall take all other action commercially reasonable or advisable to secure the Stockholder Approval. Notwithstanding anything to the contrary contained in this Agreement, the Company may adjourn or postpone the Stockholders Meeting to a date that is not more than thirty (30) days after the original scheduled date for the Stockholders Meeting to the extent necessary to ensure that any required supplement or amendment to the Proxy Statement is provided to the Stockholders, or if as of the time for which the Stockholders Meeting is originally scheduled (as set forth in the Proxy Statement) there are insufficient shares of Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Stockholders Meeting.

(d) Except as provided for in Section 5.3(d), neither the Company Board nor any committee thereof shall withdraw, qualify, or modify, or publicly propose to withdraw, qualify or modify, in a manner adverse to Buyer or MergerCo, the Company Recommendation.

(e) Immediately following the execution of this Agreement, Buyer, in its capacity as the sole stockholder of MergerCo, shall approve this Agreement by written consent.

Section 5.12. Financing.

(a) Immediately after execution and delivery of this Agreement, Buyer and MergerCo shall use their commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper and advisable to arrange for and obtain any debt and equity financing proceeds required by Buyer to pay the Aggregate Stockholder Proceeds and Aggregate Option Proceeds hereunder and to pay all other amounts required to be paid by the Buyer or MergerCo at the Closing pursuant to this Agreement (including, but not limited to, the Repaid Indebtedness and Transaction Expenses pursuant to Section 2.8), and to pay all of its and its Representatives' fees and expenses incurred in connection with the transactions contemplated by this Agreement (the "Financing") on the terms and conditions described in the Commitment Letters (as each may be amended, subject to this Section 5.12(a)) (including the so-called "market flex" provisions contained therein except to the extent Buyer in good faith determines that such provisions are not necessary in order to obtain the debt Financing contemplated thereby), including by using commercially reasonable efforts to (i) negotiate and enter into definitive Financing documents on the terms and conditions reflected in the applicable Commitment Letters or, provided that the negotiation of different terms is not reasonably likely to delay the Closing, on other terms no less favorable, in the aggregate, to Buyer and MergerCo, (ii) satisfy all conditions applicable to Buyer and MergerCo in the Commitment Letters (as each may be amended subject to this Section 5.12(a)) and the definitive Financing documents that are within the control of Buyer or MergerCo and (iii) complete the Financing at least four (4) Business Days prior to the Outside Date. From the date of this Agreement until the Closing, Buyer shall not, and shall cause MergerCo not to, without the prior written consent of the Company, materially amend, modify or supplement (including in the definitive documents relating to the Financing) (x) any of the conditions or

contingencies to funding contained in the Commitment Letters, or (y) any other provision of the Commitment Letters to the extent such amendment, modification or supplement would reasonably be expected to materially delay the Closing.

(b) The Company shall provide, and shall cause its Subsidiaries and appropriate Representatives of each of the Company and its Subsidiaries to provide, reasonable cooperation in connection with the arrangement of any financing as may be reasonably requested by Buyer or MergerCo, including (i) providing due diligence materials to potential financing sources, (ii) furnishing all financial statements and financial and other information that are reasonably required in connection with such financing, (iii) assisting Buyer or MergerCo and their potential financing sources in the preparation, if applicable, of an offering document for such financing and materials for rating agency presentations, (iv) reasonably cooperating with the marketing efforts of Buyer or MergerCo and their potential financing sources for such financing, (v) providing such other documents as may be reasonably requested by Buyer or MergerCo, (vi) participate in management presentations, and (vii) facilitating the pledge of collateral to secure any such financing but only as of and after the Effective Time; provided, however, that (x) nothing in this Section 5.12(b) shall require any cooperation to the extent that it would unreasonably disrupt the operations of the Company or any of its Subsidiaries, (y) none of the Company or any of its Subsidiaries shall be required to pay any commitment or other similar fee or incur any other liability or obligation in connection with the Financing prior to the Closing, and (z) Buyer shall cooperate in good faith and cause its Affiliates and Representatives to use their respective commercially reasonable efforts to assist the Company and its Subsidiaries in performing their obligations under this Section 5.12(b) and thereby minimize the disruption to their operations.

(c) If at any time prior to the Closing Date, the Debt Commitment Letter shall expire or terminate for any reason or the other party to such Debt Commitment Letter notifies Buyer or Sponsor in writing that such party no longer intends to provide the portion of the Financing covered by the Debt Commitment Letter, Buyer and MergerCo shall use commercially reasonable efforts to arrange, and shall permit the Company to assist in arranging, alternative financing, including from alternative sources ("Alternative Financing"), provided that any such Alternative Financing shall be on terms no less favorable to Sponsor, Buyer and the Surviving Corporation than those set forth in the Debt Commitment Letter (as may be amended, subject to Section 5.12(a)) and shall be reasonably acceptable to Buyer (including as to the identity of the lender(s)). In the event that a new Debt Commitment Letter is executed in connection with an Alternative Financing in accordance with this Section 5.12(c), then such new Debt Commitment Letter shall be the "Debt Commitment Letter" for purposes of this Agreement.

(d) Each Buyer Party shall respond accurately and in good faith to the Company's reasonable inquiries with respect to all material activity concerning the status or attainment of the Financing provided that any such responses shall be subject to any customary confidentiality obligations to which they are subject.

(e) In the event that all conditions in the Commitment Letters (or, if applicable, the definitive Financing documents) (other than, in connection with the Financing contemplated by the Debt Commitment Letter, the availability of funding of any of the

Financing contemplated by the Equity Commitment Letter) have been satisfied or, upon funding will be satisfied, Buyer and MergerCo shall use their commercially reasonable efforts to ensure that the lenders and the other Persons providing the Financing shall fund the Financing required to consummate the transactions contemplated hereby.

(f) Buyer and MergerCo acknowledge and agree that the obtaining of the Financing is not a condition to their respective obligations to consummate the transactions contemplated by this Agreement. For the avoidance of doubt, if the Financing has not been obtained, Buyer and MergerCo shall continue to be obligated to consummate the transactions contemplated by this Agreement on the terms set forth herein, subject to the fulfillment or waiver of the conditions to their respective obligations to consummate the transactions contemplated hereby in the manner specified in, and subject to the terms of, this Agreement.

ARTICLE 6

CONDITIONS TO BUYER PARTIES' OBLIGATIONS

The obligations of the Buyer Parties to consummate this Agreement and Closing of the transactions contemplated hereunder are subject to the satisfaction (or Buyer's written waiver) of each of the following conditions on or prior to the Closing Date:

Section 6.1. Representations and Warranties.

(a) The representations and warranties of the Company in Article 3 of this Agreement (other than the representations and warranties set forth in Section 3.1, Section 3.2, Section 3.3 and Section 3.21) that are not subject to any limitation or qualification as to materiality or Company Material Adverse Effect (or similar concept) shall be true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date (except that such representations or warranties that were made as of a specific date need be true and correct in all material respects as of such date); and

(b) The representations and warranties of the Company in Article 3 of this Agreement that are (i) subject to any limitation or qualification as to materiality or Company Material Adverse Effect (or similar concept) or (ii) set forth in Section 3.1, Section 3.2, Section 3.3 and Section 3.21, shall be true and correct in all respects as of the Closing Date as if made on and as of the Closing Date (except that in case such representations or warranties that were made as of a specific date need be true and correct in all respects as of such date).

Section 6.2. Compliance with Covenants. The Company shall have performed in all material respects all of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing.

Section 6.3. No Material Adverse Effect. Since the date of this Agreement, there shall not have been any Company Material Adverse Effect.

Section 6.4. Officer Certificate. The Company shall have delivered to Buyer a certificate signed on behalf of the Company by an officer of the Company, dated the Closing

Date, certifying that the conditions specified in Section 6.1, Section 6.2 and Section 6.3 have been fulfilled.

Section 6.5. Payoff Letters. Buyer shall have received a duly executed Payoff Letter from each holder of Repaid Indebtedness (which shall include a covenant to release all Liens arising in connection with such Repaid Indebtedness upon the repayment thereof) and each Person to whom the amounts described in clause (i) or (iii) of the definition of Transaction Expenses are payable.

Section 6.6. Stockholder Approval. The Stockholder Approval shall have been obtained and the holders of not more than three percent (3%) of the outstanding Common Stock shall continue to have a right to exercise appraisal, dissenters' or similar rights under applicable Law with respect to such shares of capital stock of the Company by virtue of the Merger.

Section 6.7. Secretary's Certificate. Buyer shall have received a certificate executed on behalf of the Company by the Secretary of the Company attaching and certifying as to the true and correct copies of (i) the Organizational Documents of the Company and each of its Subsidiaries, (ii) the resolutions of the Company Board approving and adopting this Agreement and the transactions relating hereto, (iii) the resolutions adopted at the Stockholders Meeting and (iv) the names of the officers of the Company authorized to sign this Agreement and any other documents, instruments or certificates to be delivered pursuant hereto or thereto by the Company, together with the true signatures of such officers.

Section 6.8. Good Standing Certificates. Buyer shall have received a good standing certificate from each jurisdiction in which the Company, DEI Canada and any of the Company's U.S. Subsidiaries is organized, each of which to be dated no more than ten (10) Business Days prior to Closing, with respect to the Company, DEI Canada and such Subsidiaries.

Section 6.9. Insurance. The Company shall have bound with the applicable insurer the D&O Tail Policy in accordance with Section 5.9 hereof.

Section 6.10. FIRPTA. Buyer shall have received certification from the Company in accordance with Treasury Regulation Section 1.1445-2(c)(3) certifying that the Company is not a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code, the form of which is attached hereto as Exhibit F.

Section 6.11. Receipt of Third Party Consents and Waivers. All consents, approvals, waivers or notices as set forth on Schedule 6.11 shall have been obtained or provided (as applicable) (collectively, the "Required Consents and Waivers").

Section 6.12. Governmental Authorizations. All governmental and regulatory filings, authorizations and approvals and other licenses that are required for the consummation of the transactions contemplated hereby shall have been duly made and obtained, and all applicable waiting periods (and any extensions thereof) under the HSR Act or other applicable Competition Law, shall have expired or been terminated.

Section 6.13. Absence of Litigation. As of the Closing, no Law shall have been adopted, promulgated, entered, enforced or issued by any Governmental Authority, or other

Order, action, claim, suit or proceeding instituted by a Governmental Authority seeking to enjoin, restrain, or prohibit the consummation of this Agreement, having the effect of making illegal or otherwise prohibiting the transactions contemplated hereby shall be pending before any court or any other Governmental Authority.

ARTICLE 7

CONDITIONS TO COMPANY'S OBLIGATIONS

The obligations of the Company to consummate this Agreement and Closing of the transaction contemplated hereunder are subject to the satisfaction (or written waiver by the Company) of each of the following conditions on or prior to the Closing Date:

Section 7.1. Representations and Warranties.

(a) The representations and warranties of the Buyer Parties in Article 4 of this Agreement (other than the representations and warranties set forth in Section 4.1(a), Section 4.1(b), Section 4.2 and Section 4.7) that are not subject to any limitation or qualification as to materiality or material adverse effect (or similar concept) shall be true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date (except that such representations or warranties that were made as of a specific date need be true and correct in all material respects as of such date).

(b) The representations and warranties of the Buyer Parties in this Agreement that (i) are subject to any limitation or qualification as to materiality or material adverse effect (or similar concept) or (ii) set forth in Section 4.1(a), Section 4.1(b), Section 4.2 and Section 4.7, shall be true and correct in all respects as of the Closing Date as if made on and as of the Closing Date (except that in case such representations or warranties that were made as of a specific date need be true and correct in all respects as of such date).

Section 7.2. Compliance with Covenants. Each Buyer Party shall have performed in all material respects all of the covenants and agreements required to be performed by them under this Agreement at or prior to the Closing.

Section 7.3. Payment of Purchase Price, Repaid Indebtedness and Transaction Expenses. At the Closing, Buyer shall have caused the delivery of the Aggregate Option Proceeds to the Company and the Aggregate Stockholder Proceeds to the Paying Agent, and shall have caused to be made the payments of Repaid Indebtedness and Transaction Expenses referenced in the Payoff Letters.

Section 7.4. Governmental Authorizations. All governmental and regulatory filings, authorizations and approvals and other licenses that are required for the consummation of the transactions contemplated hereby shall have been duly made and obtained, and all applicable waiting periods (and any extensions thereof) under the HSR Act or other applicable Competition Law, shall have expired or been terminated.

Section 7.5. Absence of Litigation. As of the Closing, no Law shall have been adopted, promulgated, entered, enforced or issued by any Governmental Authority, or other

Order, action, claim, suit or proceeding instituted by a Governmental Authority seeking to enjoin, restrain, or prohibit the consummation of this Agreement, having the effect of making illegal or otherwise prohibiting the transactions contemplated hereby shall be pending before any court or any other Governmental Authority.

Section 7.6. Stockholder Approval. The Stockholder Approval shall have been obtained.

ARTICLE 8

TERMINATION

Section 8.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of the Company and Buyer;

(b) by the Company, if the Closing shall not have occurred by the Outside Date, except if such failure is due to a failure of the Company to fulfill the conditions set forth in Article 6;

(c) by Buyer, if the Closing shall not have occurred by the Outside Date, except if such failure is due to a failure of any Buyer Party to fulfill the conditions set forth in Article 7 (and for the avoidance of doubt, Buyer shall not be entitled to terminate this Agreement pursuant to this Section 8.1(c) if the conditions set forth in clauses (i) through (iv) of Section 8.4(a) have been satisfied);

(d) by Buyer or the Company if the Stockholder Approval shall not have been obtained at the Stockholders Meeting or any adjournment or postponement thereof at which the vote was taken; provided, however, that no party that is then in material breach of this Agreement may terminate this Agreement pursuant to this Section 8.1(d);

(e) by Buyer, (i) if the Company has materially breached any provision of this Agreement (other than a representation or warranty set forth in Article 3) or (ii) if the Company has breached any representation or warranty set forth in Article 3 such that the conditions set forth in Section 6.1 would not be satisfied, in each case, to the extent that such breach has not been cured prior to the earlier of (x) twenty (20) calendar days after Buyer provides written notice of such breach and (y) provided that Buyer has provided written notice (or the Company otherwise has Knowledge) of such breach at least five (5) Business Days prior thereto, the Outside Date;

(f) by the Company, if any Buyer Party has materially breached any provision of this Agreement that has not been cured prior to the earlier of (x) twenty (20) calendar days after the Company provides written notice of such breach and (y) provided that the Company has provided written notice (or Buyer otherwise has Knowledge) of such breach at least five (5) Business Days prior thereto, the Outside Date;

(g) by Buyer if (i) the Company Board effects an Adverse Recommendation or if any committee of the Company Board approves, adopts, recommends, endorses or otherwise declares advisable or proposes to approve, adopt, recommend, endorse or otherwise declare advisable (publicly or otherwise) any Acquisition Proposal and the Company Board does not reject such action or proposed action within five (5) Business Days after receipt of notice of such action in writing, (ii) the Company or any of its Subsidiaries enters into a definitive contract or agreement relating to an Acquisition Proposal, (iii) the Company or the Company Board publicly announces its intention to do or propose to do any of the foregoing, or (iv) the Company materially breaches Section 5.3;

(h) by the Company, if (i) the Company Board shall have effected an Adverse Recommendation in respect of a Superior Proposal in accordance with Section 5.3, (ii) the Company has not materially breached Section 5.3, (iii) concurrently with such termination the Company is entering into a definitive agreement to effect such Superior Proposal and (iv) the Company pays the Break-Up Fee plus the Expense Reimbursement in accordance with the terms of Section 8.3(a); or

(i) by either Buyer or the Company, if any Governmental Authority shall institute any suit or action challenging the validity or legality of, or seeking to restrain the consummation of, the transactions contemplated by this Agreement.

Section 8.2. Effect of Termination. If this Agreement is terminated as provided in Section 8.1, then all further obligations under this Agreement shall terminate and no party hereto shall have any liability in respect of the termination of this Agreement; provided, however, that the obligations of the Buyer Parties and the Company described in this Section 8.2, Section 8.3, Section 8.4 and Article 9 will survive any such termination; provided, further, that no such termination will (i) relieve the Company for its willful and material breach of any representation, warranty, covenant or agreement set forth in this Agreement prior to such termination, in which case, the Buyer Parties shall be entitled only to the payment of the Reduced Break-Up Fee or the General Break-Up Fee on the terms set forth in Section 8.3 or, if no Break-Up Fee is payable, to exercise only those remedies described in Section 9.14 or (ii) relieve any Buyer Party for its willful and material breach of any representation, warranty, covenant or agreement set forth in this Agreement prior to such termination, in which case, the Company shall be entitled only to the payment of the Buyer Termination Fee on the terms set forth in Section 8.4.

Section 8.3. Break-Up Fee and Expense Reimbursement.

(a) In the event that this Agreement shall terminate pursuant to Section 8.1(g) then the Company shall pay to Buyer in cash, within three (3) Business Days thereafter and by wire transfer of immediately available funds to an account specified by Buyer, an amount equal to $7,000,000 (the "General Break-Up Fee") plus the Expense Reimbursement. In the event that this Agreement shall terminate pursuant to Section 8.1(h) (i) at any time during the Go-Shop Period in connection with the Company's concurrent entry into a definitive agreement with a Go-Shop Party to effect a Superior Proposal, then the Company shall pay to Buyer in cash within three (3) Business Days thereafter and by wire transfer of immediately available funds to an account specific by Buyer, an amount equal to $5,000,000 (the "Reduced Break-Up Fee") plus the Expense Reimbursement, or (ii) at any time after the Go-Shop Period

but prior to the date on which the Stockholder Approval is obtained in connection with the Company's concurrent entry into a definitive agreement with any Person to effect a Superior Proposal, then the Company shall pay to Buyer in cash within three (3) Business Days thereafter and by wire transfer of immediately available funds to an account specified by Buyer an amount equal to the General Break-Up Fee plus the Expense Reimbursement. The Reduced Break-Up Fee and the General Break-Up Fee are referred to herein as the "Break-Up Fee."

(b) If (i) this Agreement is terminated in accordance with Section 8.1(b), Section 8.1(d) or Section 8.1(e), and (ii) in the case of a termination pursuant to Section 8.1(d), prior to the termination of this Agreement a public announcement or other disclosure of an alternative Acquisition Proposal has been made or, in the case of a termination pursuant to Section 8.1(b) or Section 8.1(e), the Company, its Subsidiaries or any their respective Representatives have received an alternative Acquisition Proposal and (iii) within twelve (12) months after such termination, the Company enters into an agreement in respect of an Acquisition Proposal or a transaction in respect of an Acquisition Proposal is consummated, then the Company shall pay to Buyer the General Break-Up Fee plus the Expense Reimbursement.

(c) The Company acknowledges that (i) the agreements contained in this Section 8.3 are an integral part of the transactions contemplated by this Agreement, (ii) without these agreements, the Buyer Parties would not enter into this Agreement and (iii) the Break-Up Fee is not a penalty, but rather is liquidated damages, in a reasonable amount that will compensate the Buyer Parties in the circumstances in which the Break-Up Fee is payable for the efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby; accordingly, if Buyer alleges that the Company failed to pay the amount due pursuant to, and in accordance with the terms of Section 8.3(a) or Section 8.3(b), and either party commences a suit or files a motion to determine the obligation of the Company to pay the Break-Up Fee pursuant to Section 8.3(a) or Section 8.3(b) (or any portion thereof), the prevailing party in such suit or on such motion shall be entitled to recover from the other party all of its reasonable substantiated costs and expenses (including reasonable attorneys' fees) solely in connection with such suit or motion, together with interest on such amount or portion thereof at the "prime rate" as published in *The Wall Street Journal*, Eastern Edition, in effect on the date such payment was required to be made through the date of payment (calculated daily on the basis of a year of 365 days and the actual number of days elapsed, without compounding) (the "Prime Rate").

Section 8.4. Buyer Termination Fee.

(a) In the event that (i) all conditions to the obligations of the Buyer Parties to consummate the Merger set forth in this Agreement have been satisfied or validly waived, other than those conditions that by their nature are to be satisfied at the Closing, (ii) the Buyer Parties fail to consummate the transactions contemplated hereby, (iii) the Company has given irrevocable written notice to the Buyer Parties offering to consummate the Closing on or prior to the third (3rd) Business Day prior to the Outside Date and continuously allows the Buyer Parties to consummate the Closing during such three (3) Business Day period and the Buyer Parties fail to consummate the Closing on or prior to such third (3rd) Business Day, (iv) the

Company is not in material breach of this Agreement and (v) this Agreement has been terminated pursuant to Section 8.1(b) or Section 8.1(f), then Buyer shall pay the Company in cash, within three (3) Business Days after the effective date of such termination and by wire transfer of immediately available funds to an account specified by Buyer, an amount equal to $10,000,000 (the "Buyer Termination Fee") plus the Expense Reimbursement.

(b) Buyer acknowledges that (i) the agreements contained in this Section 8.4 are an integral part of the transactions contemplated by this Agreement, (ii) without these agreements, the Company would not enter into this Agreement and (iii) the Buyer Termination Fee is not a penalty, but rather is liquidated damages, in a reasonable amount that will compensate the Company and the Securityholders in the circumstances in which the Buyer Termination Fee is payable for the efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby; accordingly, if the Company alleges that Buyer failed to pay the amount due pursuant to, and in accordance with the terms of Section 8.4(a), and either party commences a suit or files a motion to determine the obligation of Buyer to pay the Buyer Termination Fee pursuant to Section 8.4(a)or any portion thereof, the prevailing party in such suit or on such motion shall be entitled to recover from the other party all of its reasonable substantiated costs and expenses (including reasonable attorneys' fees) solely in connection with such suit or motion, together with interest on such amount or portion thereof at the Prime Rate.

ARTICLE 9

MISCELLANEOUS

Section 9.1. Expenses. Except as otherwise provided in this Agreement, the Parties shall pay their own legal and other fees and expenses incurred in connection with negotiating, executing and performing this Agreement, including any related broker's or finder's fees. Notwithstanding the foregoing, if the Merger is consummated, (a) the Company shall reimburse the Buyer Parties for all reasonable out-of-pocket costs and expenses incurred by the Buyer Parties in connection with negotiating, executing and performing this Agreement provided such amount shall not reduce the Merger Consolidation and (b) pursuant to Section 2.8, the Buyer shall cause the payment of all of the Transaction Expenses specified therein.

Section 9.2. Non-Survival of Representations and Warranties. The respective representations and warranties of the parties shall not survive the Closing.

Section 9.3. Amendment; Benefit; Assignability. This Agreement may be amended only by the execution and delivery of a written instrument by or on behalf of the Company and Buyer. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns and no other Person shall have any right (whether third party beneficiary or otherwise) hereunder, except as otherwise provided in Section 5.9 or Section 9.14. This Agreement may not be assigned by any party without the prior written consent of the Company and Buyer; provided, however, that any Buyer Party may assign, without the prior written consent of the Company, all or any portion of its rights (but not

obligations) hereunder to any Affiliate of a Buyer Party or to any of the Buyer Parties' financing sources.

Section 9.4. Notices. All notices demands and other communications pertaining to this Agreement ("Notices") shall be in writing addressed as follows:

If to the Company:

DEI Holdings, Inc.
One Viper Way
Vista, CA 92081
Attention: James E. Minarik
Email: jim.minarik@deiholdings.com

with a copy to:

Greenberg Traurig, LLP
2375 E. Camelback Rd., Suite 700
Phoenix, AZ 85016
Attention: Bruce E. Macdonough
Brian H. Blaney
Email: blaneyb@gtlaw.com

If to Buyer, MergerCo or after the Closing, to the Surviving Corporation:

Charlesbank Capital Partners
200 Clarendon Street, 54th Floor
Boston, MA 02116
Attention: Michael Choe
Email: MChoe@charlesbank.com

with a copy to:

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, CA 94025
Attention: Kevin M. Dennis
Email: kdennis@goodwinprocter.com

Notices shall be deemed given (a) five (5) Business Days after being mailed by certified United States mail, postage prepaid, return receipt requested, (b) on the first (1st) Business Day after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery or (c) upon machine generated acknowledgement of receipt after transmittal by electronic mail if so acknowledged to have been received before 5:00 p.m. on a Business Day at the location of receipt and otherwise on the next following Business Day. Any party may change the address to which Notices under this Agreement are to be sent to it by giving written notice of a change of address in the manner provided in this Agreement for giving Notice.

Section 9.5. Waiver. Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by any party of any rights under this Agreement, or breach of any provision of this Agreement by any other party, shall be valid unless made in writing by such waiving party, and no such waiver shall be taken or held to be a waiver by such party of any other preceding or subsequent right or breach; and (c) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

Section 9.6. Entire Agreement. This Agreement and the Transaction Documents (including the Exhibits and Disclosure Schedules hereto and thereto, which are incorporated by reference herein) constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties (written or oral) with respect to the subject matter hereof; provided, however, that the Confidentiality Agreement, shall survive the execution of this Agreement; provided, further, however, that if the Closing occurs, the Confidentiality Agreement shall terminate and be of no further force or effect as of the Closing.

Section 9.7. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Facsimiles or other electronic forms of signatures (including "pdf") shall be deemed to be originals.

Section 9.8. Headings. The headings of the Sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

Section 9.9. Exhibits and Disclosure Schedules. The Exhibits and Disclosure Schedules to this Agreement are a material part of this Agreement.

Section 9.10. 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.

Section 9.11. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. To the extent permitted by law, each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, State of New York over any suit, action or other proceeding brought by any party arising out of or relating to this Agreement, and each of the parties hereto hereby irrevocably agrees that all claims with respect to any such suit, action or other proceeding shall be heard and determined in such courts. In the event of any litigation regarding or arising

from this Agreement, the prevailing party shall be entitled to recover its reasonable expenses, attorneys' fees and costs incurred therein or in enforcement or collection of any judgment or award rendered therein.

Section 9.12. Counsel. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

Section 9.13. Waiver of Trial by Jury. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION WITH SUCH AGREEMENTS.

Section 9.14. Remedies.

(a) The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. It is accordingly agreed that the parties shall be entitled to seek (in a court of competent jurisdiction as set forth in Section 9.11) an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, without bond or other security being required, this being in addition to any other remedy to which they are entitled at law or in equity, but subject in all cases to Section 9.14(b) and Section 9.14(c) below. Notwithstanding anything to the contrary provided in this Agreement, it is explicitly agreed that the Company shall not be entitled to seek specific performance of Buyer's and MergerCo's obligation to cause any Commitment Letter to be funded to fund the Merger or the Closing to occur.

(b) In the event the Break-Up Fee is payable pursuant to Section 8.3(a) or Section 8.3(b), the Break-Up Fee (together with any amounts payable pursuant to Section 8.3(c)) shall be the sole and exclusive remedy of the Buyer Parties and their Affiliates (including Sponsor) and no Buyer Party or Affiliate thereof shall have any right to seek, nor shall any of them seek, any other remedy at law or equity against the Company. For the avoidance of doubt, if the Company shall have willfully and materially breached this Agreement and the Break-Up Fee is not payable pursuant to Section 8.3(a) or Section 8.3(b), the Buyer Parties shall have all remedies available to them at law or in equity, including the right to seek damages for such willful and material breach. In no event shall the Company be obligated to pay, or cause to paid, the Break-Up Fee on more than one occasion.

(c) The Buyer Termination Fee (together with any amounts payable pursuant to Section 8.4(b)) shall be the sole and exclusive remedy of Company and its Affiliates (including any Securityholder) in the event of any willful and material breach by any Buyer Party and none of the Company, any Securityholder or Affiliate thereof shall have any right to seek, nor shall any of them seek, any other remedy at law or equity against any Buyer Party or Sponsor. In no event shall the Buyer Parties be obligated to pay, or cause to paid, the Buyer Termination Fee on more than one occasion.

(d) The Company acknowledges and agrees that its has no right of recovery against, and no personal liability shall attach to, in each case with respect to damages, any Person (other than Buyer for payment of the Buyer Termination Fee on the terms set forth in Section 8.4(a) and any amounts payable pursuant to Section 8.4(b) and other than Sponsor on the terms set forth in the Limited Guaranty), whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil, by or through a claim by or on behalf of the Company against Buyer, MergerCo or any Affiliate thereof, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or applicable Law, or otherwise. The Company acknowledges that both Buyer and MergerCo are newly-formed companies and do not have any material assets except in connection with this Agreement or as provided by the Commitment Letters. The Company specifically acknowledges the separate corporate existence of each of Buyer and MergerCo and that the Company shall have no recourse against Sponsor or any other Affiliate of a Buyer Party, except as specifically provided in the Limited Guaranty.

(e) The provisions of this Section 9.14 are intended to be for the benefit of, and shall be enforceable by, the Company, Buyer, MergerCo and the other parties expressly referred to above.

(SIGNATURE PAGE FOLLOWS)

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

BUYER PARTIES:

VIPER HOLDINGS CORPORATION

By:_____
Name: Michael W. Choe
Title: President

VIPER ACQUISITION CORPORATION

By:_____
Name: Michael W. Choe
Title: President

COMPANY:

DEI HOLDINGS, INC.

By:_____
Name:
Title

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

BUYER PARTIES:

VIPER HOLDINGS CORPORATION

By:_____
Name: Michael W. Choe
Title: President

VIPER ACQUISITION CORPORATION

By:_____
Name: Michael W. Choe
Title: President

COMPANY:

DEI HOLDINGS, INC.

By:_____
Name: Troy D. Templeton
Title: Chairman of the Board

AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER (this "Amendment"), is entered into as of the 7th day of June, 2011, by and among DEI Holdings, Inc., a Florida corporation (the "Company"), Viper Holdings Corporation, a Delaware corporation ("Buyer"), and Viper Acquisition Corporation, a Florida corporation ("MergerCo," and, together with Buyer, the "Buyer Parties").

Recitals

WHEREAS, the Company, Buyer and MergerCo entered into that certain Agreement and Plan of Merger, dated as of May 12, 2011 (the "Merger Agreement"); and

WHEREAS, the Company, Buyer and MergerCo now desire to amend certain provisions of the Merger Agreement as set forth herein.

Agreement

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

Section 1. Defined Terms. Capitalized terms used herein that are not otherwise defined have the meanings set forth in the Merger Agreement.

Section 2. Amendments to Merger Agreement. Section 8.1(f) of the Merger Agreement is hereby amended in its entirety to read as follows:

> (f) by the Company, if any Buyer Party has materially breached any provision of this Agreement that has not been cured prior to the earlier of (x) seven (7) calendar days after the Company provides written notice of such breach and (y) provided that the Company has provided written notice (or Buyer otherwise has Knowledge) of such breach at least five (5) Business Days prior thereto, the Outside Date;

Section 3. Effect on Merger Agreement. Other than as specifically set forth herein, all terms and provisions of the Merger Agreement shall remain unaffected by the terms of this Amendment, and shall continue in full force and effect.

Section 4. Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment 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 Amendment.

Section 5. Headings. The headings of the Sections of this Amendment are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of this Amendment.

Section 6. Counterparts. This Amendment may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Facsimiles or other electronic forms of signatures (including "pdf") shall be deemed to be originals.

Section 7. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns as provided in the Merger Agreement.

Section 8. Governing Law; Jurisdiction. This Amendment shall be governed by and construed in accordance with the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. To the extent permitted by law, each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, State of New York over any suit, action or other proceeding brought by any party arising out of or relating to this Amendment, and each of the parties hereto hereby irrevocably agrees that all claims with respect to any such suit, action or other proceeding shall be heard and determined in such courts. In the event of any litigation regarding or arising from this Amendment, the prevailing party shall be entitled to recover its reasonable expenses, attorneys' fees and costs incurred therein or in enforcement or collection of any judgment or award rendered therein.

Section 9. Waiver of Trial by Jury. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AMENDMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION WITH SUCH AGREEMENTS.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

BUYER PARTIES:

VIPER HOLDINGS CORPORATION

By:_____
Name: Michael W. Choe
Title: President

VIPER ACQUISITION CORPORATION

By:_____
Name: Michael W. Choe
Title: President

COMPANY:

DEI HOLDINGS, INC.

By:_____
Name: Troy D. Templeton
Title: Chairman of the Board

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

BUYER PARTIES:

VIPER HOLDINGS CORPORATION

By:_____
Name: Michael W. Choe
Title: President

VIPER ACQUISITION CORPORATION

By:_____
Name: Michael W. Choe
Title: President

COMPANY:

DEI HOLDINGS, INC.

By:_____
Name: Troy D. Templeton
Title: Chairman of the Board

EXECUTION COPY

AMENDMENT NO. 2 TO AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT NO. 2 TO AGREEMENT AND PLAN OF MERGER (this "Amendment"), is entered into as of the 19h day of June, 2011, by and among DEI Holdings, Inc., a Florida corporation (the "Company"), Viper Holdings Corporation, a Delaware corporation ("Buyer"), and Viper Acquisition Corporation, a Florida corporation ("MergerCo," and, together with Buyer, the "Buyer Parties").

Recitals

WHEREAS, the Company, Buyer and MergerCo entered into the Agreement and Plan of Merger, dated as of May 12, 2011 and Amendment No. 1 to Agreement and Plan of Merger, dated as of June 7, 2011 (as so amended, the "Merger Agreement"); and

WHEREAS, the Company, Buyer and MergerCo now desire to amend certain provisions of the Merger Agreement as set forth herein.

Agreement

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

Section 1. Defined Terms. Capitalized terms used herein that are not otherwise defined have the meanings set forth in the Merger Agreement.

Section 2. Amendments to Merger Agreement.

2.1 Section 1.1 of the Merger Agreement is hereby amended by deleting the definition of Merger Consideration set forth therein and substituting the following therefor:

> ""Merger Consideration" means $305,000,000."

2.2 Section 1.1 of the Merger Agreement is hereby amended by deleting the definition of Per Share Merger Consideration set forth therein and substituting the following therefor:

> ""Per Share Consideration" means the lesser of (i) an amount, rounded to six decimal places, equal to Net Merger Consideration divided by Fully Diluted Shares Outstanding and (ii) $4.47. Annex I illustrates the calculation of Per Share Consideration based on the capital structure of the Company as of the date of this Agreement."

2.3 The definition of Transaction Expenses Tax Benefit in Section 1.1 of the Merger Agreement is hereby amended by deleting clause (B) thereof in its entirety.

2.4 Section 1.1 of the Merger Agreement is hereby amended by deleting the definitions of Acceptable Confidentiality Agreement, Excluded Party, General Break-Up Fee,

Go-Shop Party, Go-Shop Period, No-Shop Period Start Date, Qualified Bidder, Reduced Break-Up Fee and Superior Proposal set forth therein.

2.5 Section 2.4 of the Merger Agreement is hereby amended by:

(i) Deleting the reference therein to "third (3rd) Business Day" and substituting therefor "second (2nd) Business Day"; and

(ii) Deleting the proviso set forth therein.

2.6 Section 2.8(a) of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"(a) Prior to the Closing Date, the Company shall (i) use its commercially reasonable efforts to obtain a payoff letter from each Person to whom Repaid Indebtedness is owed, in form and substance reasonably satisfactory to Buyer (a "Payoff Letter") and (ii) deliver to Buyer a certificate setting forth (A) each Person to whom Transaction Expenses or Specified Expenses is owed and (B) the amount required to discharge all such Transaction Expenses and/or Specified Expenses owed to such Person in full (including those amounts accrued as of March 31, 2011), together with supporting invoices or similar documentation reasonably acceptable to Buyer. At Closing, Buyer shall cause to be made the payments referenced in such Payoff Letter and certificate on the Closing Date in order to discharge the Repaid Indebtedness, Transaction Expenses and Specified Expenses covered thereby (including those accrued as of March 31, 2011) (in each case, to the extent due on the Closing Date and not already paid), in their entireties. Buyer and the Company will cooperate in arranging for such repayment and shall take such reasonable actions as may be necessary to facilitate such repayment and to facilitate the release, in connection with such repayment, of any Lien securing the Repaid Indebtedness."

2.7 Section 4.6(a) of the Merger Agreement is hereby amended by deleting the reference to $117,000,000 therein and substituting therefor "$137,000,000".

2.8 Section 5.3 of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"Section 5.3 Competing Transactions.

(a) From and after 12:01 a.m. (New York City Time) on June 19, 2011 (the "Amendment Effective Time"), the Company and its Representatives shall not directly or indirectly (i) solicit, initiate, knowingly encourage or knowingly facilitate the making, submission or announcement of any Acquisition Proposal, (ii) furnish any non-public information regarding the Company to any Person in connection with or in response to an Acquisition Proposal, (iii) engage in discussions or negotiations with any Person with respect to any Acquisition Proposal, (iv) approve, endorse or recommend any Acquisition Proposal or (v) enter into any letter of intent or similar document or any Contract contemplating or providing for any Acquisition Proposal or accepting any Acquisition Proposal; provided, however, that none of the foregoing restrictions shall apply to the

Company's and its Representatives' interactions with the Buyer Parties and their respective Representatives. Without limiting the generality of the foregoing, the Company acknowledges and agrees that any action taken by any Representative of the Company that, if taken by the Company would constitute a breach of this Section 5.3, shall be deemed to constitute a breach of this Section 5.3 by the Company (whether or not such Representative is purporting to act on behalf of the Company).

(b) The Company shall immediately cease and cause to be terminated any existing discussions between the Company or any of its Representatives and any Person (other than the Buyer Parties and their respective Representatives) with respect to any Acquisition Proposal pending as of the Amendment Effective Time.

(c) If the Company or any of its Representatives receives an Acquisition Proposal or any request for non-public information at any time during the period beginning on the date hereof and ending at Closing (other than from a Buyer Party or any of their respective Representatives), then the Company shall promptly (and in no event later than twenty-four (24) hours after receipt of such Acquisition Proposal or request) advise Buyer in writing of such Acquisition Proposal or request (including the identity of the Person making or submitting such Acquisition Proposal or request and the material terms thereof) and provide Buyer with a copy of such Acquisition Proposal or request if it is in writing or a summary thereof if it is oral. The Company shall keep Buyer promptly informed with respect to any development relating to such Acquisition Proposal or request and any modification or proposed modification thereto, and provide Buyer with copies of such development, modification and proposed modification if they are in writing or a summary thereof if they are oral.

(d) Notwithstanding any other provision in this Agreement to the contrary, neither the Company Board nor any committee of the Company Board may (i)(A) fail to make, amend, change, qualify, withhold, withdraw or modify, or publicly propose to amend, change, qualify, withhold, withdraw or modify, in a manner adverse to Buyer or MergerCo, the Company Recommendation, or (B) adopt, approve, endorse or recommend, or publicly propose to adopt, approve, endorse or recommend to the Stockholders, any Acquisition Proposal, (ii) fail to recommend against acceptance of any tender or exchange offer for the Common Stock within ten (10) Business Days after commencement of such offer, (iii) make any public statement inconsistent with the Company Recommendation or (iv) resolve to do any of the foregoing (actions described in clauses (i)-(iii) being referred to as an "Adverse Recommendation").

(e) The Company agrees not to release any Person from, or to amend or waive any provision of, any confidentiality, "standstill," non-solicitation or similar agreement to which the Company is or becomes a party or under which the Company has or acquires any rights, and will use commercially reasonable efforts to enforce or cause to be enforced each such agreement at the request of Buyer. The Company also shall promptly request each Person that has executed a confidentiality agreement in connection with its consideration of a possible acquisition transaction to return or destroy in accordance with the terms of such confidentiality agreement all confidential information heretofore furnished to such Person by or on behalf of the Company."

2.9 Section 5.4 of the Merger Agreement is hereby amended by:

(i) Deleting the reference to Article IX therein and substituting therefor "Article VIII"; and

(ii) Deleting the phrase "and except, in the case of the Company, with respect to any Adverse Recommendation made in accordance with this Agreement,".

2.10 Section 5.11(c) of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"(c) The Company, acting through the Company Board, shall duly call, give notice of, convene and hold no later than June 20, 2011, a meeting of the Stockholders (including any adjournment or postponement thereof, the "Stockholders Meeting") for the purpose of obtaining the affirmative vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote thereon at the Stockholders Meeting to adopt this Agreement and approve the Merger contemplated hereby (the "Stockholder Approval"), except to the extent prohibited by a legally binding Order obtained at the request of a Person not Affiliated with the Company or the Trivest Stockholder. The Proxy Statement shall include the recommendation of the Company Board that the Stockholders adopt this Agreement and approve the Merger (the "Company Recommendation"). The Company shall take all action that is both reasonable and lawful to solicit from its Stockholders the Stockholder Approval, and shall take all other action commercially reasonable or advisable to secure the Stockholder Approval. Notwithstanding anything to the contrary contained in this Agreement, the Company may adjourn or postpone the Stockholders Meeting to a date that is not more than thirty (30) days after the original scheduled date for the Stockholders Meeting to the extent necessary to ensure that any required supplement or amendment to the Proxy Statement is provided to the Stockholders, or if as of the time for which the Stockholders Meeting is originally scheduled (as set forth in the Proxy Statement) there are insufficient shares of Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Stockholders Meeting; provided, the Company may postpone or adjourn the Stockholders' Meeting only (i) with the consent of Buyer or (ii) for the absence of a quorum."

2.11 Section 5.11(d) of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"(d) Neither the Company Board nor any committee thereof shall withdraw, qualify, or modify, or publicly propose to withdraw, qualify or modify, in a manner adverse to Buyer or MergerCo, the Company Recommendation."

2.12 Section 6.5 of the Merger Agreement is hereby amended by deleting the phrase "and each Person to whom the amounts described in clause (i) or (iii) of the definition of Transaction Expenses are payable" set forth therein.

2.13 Section 6.6 of the Merger Agreement is hereby amended by deleting the reference to "three percent (3%)" therein and substituting therefor "seven and one half percent (7.5%)".

2.14 Section 7.3 of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"Section 7.3. Payment of Purchase Price, Repaid Indebtedness and Transaction Expenses. At the Closing, Buyer shall have caused the delivery of the Aggregate Option Proceeds to the Company and the Aggregate Stockholder Proceeds to the Paying Agent, and shall have caused to be made the payments of Repaid Indebtedness, Transaction Expenses and Specified Expenses referenced in the Payoff Letters and the certificate delivered by the Company pursuant to Section 2.8."

2.15 Section 8.1(f) of the Merger Agreement is hereby amended by deleting the reference to "seven (7) days" set forth therein and substituting therefor "one (1) Business Day".

2.16 Section 8.1(h) of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"(h) [INTENTIONALLY OMITTED]"

2.17 Section 8.2 of the Merger Agreement is hereby amended by deleting the phrase "Reduced Break-Up Fee or General Break-Up Fee" therefrom and substituting therefor "Break-Up Fee".

2.18 Section 8.3(a) of the Merger Agreement is hereby deleted in its entirety and the following substituted therefor:

"(a) In the event that this Agreement shall terminate pursuant to Section 8.1(g) then the Company shall pay to Buyer in cash, within three (3) Business Days thereafter and by wire transfer of immediately available funds to an account specified by Buyer, an amount equal to $7,000,000 (the "Break-Up Fee") plus the Expense Reimbursement. "

2.19 Section 8.3(b) of the Merger Agreement is hereby amended by deleting the reference therein to General Break-Up Fee and substituting therefor "Break-Up Fee".

2.20 Section 9.1 of the Merger Agreement is hereby amended by deleting the reference therein to Consolidation and substituting therefor "Consideration".

2.21 Notwithstanding anything herein to the contrary, in the event that the Stockholder Approval is not obtained on or before 5:00 p.m., New York City Time, on June 20, 2011 or further action is required (by Order or otherwise) by the Stockholders or the Company Board to consummate the transactions contemplated by the Merger Agreement (as amended by this Amendment), effective as of 5:01 p.m., New York City Time on June 20, 2011, the Merger Agreement shall be amended and restated in its entirety to read as it did prior to giving effect to the amendments set forth in Sections 2.1, 2.2, 2.3, 2.4, 2.5(i), 2.7, 2.8, 2.9(ii), 2.11, 2.15, 2.16, 2.17, 2.18 and 2.19 hereof. For the avoidance doubt, the amendments set forth in Sections 2.5(ii), 2.6, 2.9(i), 2.10, 2.12, 2.13, 2.14 and 2.20 shall be given full effect in such amendment and restatement.

Section 3. Effect on Merger Agreement. Other than as specifically set forth herein, all terms and provisions of the Merger Agreement shall remain unaffected by the terms of this Amendment, and shall continue in full force and effect.

Section 4. Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment 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 Amendment.

Section 5. Headings. The headings of the Sections of this Amendment are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of this Amendment.

Section 6. Counterparts. This Amendment may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Facsimiles or other electronic forms of signatures (including "pdf") shall be deemed to be originals.

Section 7. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns as provided in the Merger Agreement.

Section 8. Governing Law; Jurisdiction. This Amendment shall be governed by and construed in accordance with the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. To the extent permitted by law, each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, State of New York over any suit, action or other proceeding brought by any party arising out of or relating to this Amendment, and each of the parties hereto hereby irrevocably agrees that all claims with respect to any such suit, action or other proceeding shall be heard and determined in such courts. In the event of any litigation regarding or arising from this Amendment, the prevailing party shall be entitled to recover its reasonable expenses, attorneys' fees and costs incurred therein or in enforcement or collection of any judgment or award rendered therein.

Section 9. Waiver of Trial by Jury. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AMENDMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION WITH SUCH AGREEMENTS.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

BUYER PARTIES:

VIPER HOLDINGS CORPORATION

By:_____
Name: Michael W. Choe
Title: President

VIPER ACQUISITION CORPORATION

By:_____
Name: Michael W. Choe
Title: President

COMPANY:

DEI HOLDINGS, INC.

By:_____
Name: Troy D. Templeton
Title: Chairman of the Board

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

BUYER PARTIES:

VIPER HOLDINGS CORPORATION

By:_____
Name: Michael W. Choe
Title: President

VIPER ACQUISITION CORPORATION

By:_____
Name: Michael W. Choe
Title: President

COMPANY:

DEI HOLDINGS, INC.

By:_____
Name: ~~Troy D. Templeton~~ James E. Minarik
Title: ~~Chairman of the Board~~
President and CEO