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

FORM 8-K

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

July 20, 2009

Date of Report (Date of earliest event reported)

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**Smith & Wesson Holding Corporation**

(Exact Name of Registrant as Specified in Charter)

**Nevada**

(State or Other  
Jurisdiction of Incorporation)

**001-31552**

(Commission File Number)

**87-0543688**

(IRS Employer  
Identification No.)

**2100 Roosevelt Avenue  
Springfield, Massachusetts  
01104**

(Address of Principal Executive Offices) (Zip Code)

**(800) 331-0852**

(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

*Registration Agreement*

As described in Items 2.01 and 3.02, on July 20, 2009, we completed our previously announced acquisition of Universal Safety Response, Inc. (“USR”) pursuant to an Agreement and Plan of Merger (the “Merger Agreement”) and issued 5,492,286 shares of our common stock to the former stockholders of USR. In connection with the closing of the merger, we entered into a registration agreement with the former stockholders of USR under which we agreed to prepare and file a shelf registration statement with the Securities and Exchange Commission covering the resale of (i) the shares of our common stock issued to the former stockholders of USR at the closing of the merger, and (ii) the shares of our common stock issuable to the former stockholders of USR upon the achievement of certain financial targets as set forth in the Merger Agreement, within ten days following the date of the closing of the merger, and thereafter to use our commercially reasonable efforts to cause such shelf registration statement to be declared effective as soon as possible. We will pay all expenses incurred in connection with the registration, other than any underwriting discounts, concessions, or brokerage commissions associated with the resale of the shares. A copy of the registration agreement is attached hereto as Exhibit 4.20 and is incorporated by reference into this Item 1.01. The foregoing description of the registration agreement is qualified in its entirety by reference to the full text of the registration agreement.

*Irrevocable Proxy Coupled with Interest*

In addition, in connection with the closing of the USR acquisition, certain former stockholders of USR entered into an Irrevocable Proxy Coupled with Interest (the “Proxy”) pursuant to which such former stockholders of USR irrevocably designated, constituted, and appointed our company and any person designated by our company to act as a proxy for our stockholders, to vote, express consent, or otherwise utilize the voting power with respect to the shares of our common stock owned by such former stockholders in any and all matters upon which our stockholders are entitled to vote, other than in connection with a “Change in Control” (as defined in the Proxy). We or any person we designate to act as a proxy for our stockholders shall vote, express consent, or otherwise utilize the voting power with respect to the shares of our common stock owned by such former stockholders in the same proportion as the vote of all of the unaffiliated stockholders of our company voting on a matter. The Proxy is effective until the earlier of (a) the date of the final resolution of the earn-out merger consideration for 2010 as set forth in the Merger Agreement or (b) the time that the applicable former stockholder of USR or his, her, or its affiliates no longer own any shares of our common stock. A copy of the Proxy is attached hereto as Exhibit 10.74 and is incorporated by reference into this Item 1.01. The foregoing description of the Proxy is qualified in its entirety by reference to the full text of the Proxy.

*Amendment to Credit Agreement*

As described in Item 2.03, on July 20, 2009, in connection with the closing of the USR acquisition, we and our direct and indirect domestic subsidiaries entered into an amendment to our Credit Agreement, dated November 30, 2007, as amended, with TD Bank, N.A. The disclosure provided in Item 2.03 of this Form 8-K is hereby incorporated by reference into this Item 1.01.

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**Item 2.01. Completion of Acquisition or Disposition of Assets.**

On July 20, 2009, we completed our previously announced acquisition of USR pursuant to the Merger Agreement. Upon the closing of the USR acquisition, we (a) issued 5,492,286 shares of our common stock; and (b) paid cash in the aggregate amount of \$21,061,600. In addition, pursuant to the Merger Agreement, we have agreed to issue up to 4,001,522 additional shares of our common stock if the calendar year 2009 and 2010 EBITDA (as defined in the Merger Agreement) of USR meets or exceeds certain defined targets. A portion of the purchase price will be held in escrow for 18 months as security for representations and warranties as specified in the Merger Agreement. This description of our USR acquisition does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, which is filed as Exhibit 2.8 to our Current Report on Form 8-K filed on June 19, 2009 and is incorporated by reference into this Item 2.01. A copy of the press release announcing the completion of the USR acquisition is filed herewith as Exhibit 99.1.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

In connection with the closing of the USR acquisition described in Item 2.01, on July 20, 2009, we and our direct and indirect domestic subsidiaries entered into Amendment No. 3 and Joinder to Credit Agreement with TD Bank, N.A. (the "Amendment"), which amended our Credit Agreement, dated November 30, 2007, as amended, with TD Bank, N.A. (the "Credit Agreement"). Capitalized terms used in this Item 2.03 have the meanings set forth in the Credit Agreement.

Pursuant to the Amendment, USR entered into the Credit Agreement as a co-borrower, guaranteed certain Obligations under the Loan Documents, and pledged its assets to T.D. Bank to secure the Obligations of the Loan Parties under the Loan Documents. In connection therewith, USR entered into joinders to the Pledge and Security Agreement and certain guaranty agreements that have been previously filed with the Commission. In addition, we and certain of our subsidiaries entered into the Holdings/Thompson/Center Arms/Smith & Wesson Guaranty (the "Guaranty"), filed herewith as Exhibit 10.75, pursuant to which we and certain of our subsidiaries guaranteed USR's Obligations under the Credit Agreement and other Loan Documents.

The foregoing descriptions of the Amendment and the Guaranty are only summaries and are qualified in their entirety by reference to the full text of the Amendment and the Guaranty, which are attached hereto as Exhibit 10.57(c) and Exhibit 10.75, respectively, and are hereby incorporated by reference into this Item 2.03.

**Item 3.02. Unregistered Sales of Equity Securities.**

As described in Item 2.01, on July 20, 2009, upon the closing of our acquisition of USR, we issued 5,492,286 shares of our common stock to the former stockholders of USR as partial consideration for the acquisition of USR. We issued the shares of common stock in reliance upon Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder, as a transaction by an issuer not involving a public offering. Each former stockholder of USR made representations to us that (1) the shares were being acquired by it for its own account and not with view to the distribution of the shares, (2) it had sufficient

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knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of the acquisition of the shares, and (3) it was supplied with, or had access to, information, including our public filings and any other information with respect to our financial condition, business, and prospects and other information it requested, to enable it to understand more fully the nature of the acquisition of the shares and to verify the accuracy of the information supplied.

### **Item 9.01. Financial Statements and Exhibits.**

#### *(a) Financial Statements of Business Acquired.*

The financial statements required by this Item 9.01(a) will be filed by amendment to this Form 8-K as soon as practicable, but not later than 71 days after the date on which this Form 8-K was required to be filed.

#### *(b) Pro Forma Financial Information.*

The unaudited pro forma financial information required by this Item 9.01(b) will be filed by amendment to this Form 8-K as soon as practicable, but not later than 71 days after the date on which this Form 8-K was required to be filed.

#### *(c) Shell Company Transactions.*

Not applicable.

#### *(d) Exhibits.*

<u>Exhibit Number</u>	<u>Exhibits</u>
4.20	Registration Agreement, dated as of July 20, 2009, among Smith & Wesson Holding Corporation and the Holders named therein
10.57(c)	Amendment No. 3 and Joinder to Credit Agreement, dated as of July 20, 2009, among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Universal Safety Response, Inc., as Borrowers, the other Loan Parties named therein, and TD Bank, N.A., as Lender and Administrative Agent
10.74	Irrevocable Proxy Coupled with Interest
10.75	Holdings/Thompson/Center Arms/Smith & Wesson Guaranty, dated as of July 20, 2009, by and among Smith & Wesson Holding Corporation, Thompson/Center Arms Company, Inc., Smith & Wesson Corp., and TD Bank, N.A., as Administrative Agent and Lender

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Exhibit Number	Exhibits
99.1	Press Release from Smith & Wesson Holding Corporation, dated July 21, 2009, entitled “Smith & Wesson Holding Corporation Completes Acquisition of Universal Safety Response, Inc.”

**SIGNATURES**

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

SMITH & WESSON HOLDING CORPORATION

Date: July 24, 2009

By: /s/ William F. Spengler

William F. Spengler  
Executive Vice President, Chief Financial Officer and  
Treasurer

**EXHIBIT INDEX**

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**REGISTRATION AGREEMENT**

**REGISTRATION AGREEMENT** (this “Agreement”), dated as of July 20, 2009, by and among Smith & Wesson Holding Corporation, a Nevada corporation (the “Company”), and the undersigned holders of Common Stock (each, a “Holder”, and collectively, the “Holders”).

**WHEREAS**, each Holder was a stockholder of Universal Safety Response, Inc., a New York corporation (“USR”).

**WHEREAS**, as contemplated by an Agreement and Plan of Merger dated as of June 18, 2009 among the Company, USR, and others (the “Merger Agreement”), USR became a wholly owned subsidiary of the Company and stockholders of USR received shares of Common Stock (as defined herein) as partial consideration for the transactions contemplated by the Merger Agreement.

**WHEREAS**, the Merger Agreement requires the entering into of this Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Holders hereby agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Merger Agreement. As used in this Agreement, the following terms shall have the following meanings:

“**1933 Act**” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“**1934 Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by,” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person whether through the ownership of voting securities or by agreement or otherwise.

“**Business Day**” means any day other than Saturday, Sunday, or any other day on which commercial banks in Delaware are authorized or required by law to remain closed.

“**Common Stock**” means the common stock, par value \$0.001 per share, of the Company issued to the Holders pursuant to the Merger Agreement, as it exists on the date of this Agreement and any other shares of capital stock or other securities of the Company into which such Common Stock may be reclassified or changed, together with any and all other shares of Common Stock that at any time may be issued pursuant to the Merger Agreement (including any

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shares that may continue to have vesting or other restrictions following consummation of the transactions contemplated by the Merger Agreement).

“**Company**” has the meaning set forth in the preamble of this Agreement.

“**Covered Securities**” means the Common Stock and any security issued with respect thereto upon any stock dividend, split, or similar event until the earliest of the date on which such Common Stock, or any security issued with respect thereto upon any stock dividend, split, or similar event, as the case may be (i) has been transferred pursuant to a Shelf Registration Statement or another registration statement covering such Common Stock that has been filed with the SEC pursuant to the 1933 Act, in either case after such registration statement has become effective and while such registration statement is effective under the 1933 Act; (ii) has been transferred pursuant to Rule 144; (iii) may be sold or transferred pursuant to Rule 144 without volume or timing restrictions or limitations; or (iv) ceases to be outstanding.

“**Effective Date**” means the date the Shelf Registration Statement has been declared effective by the SEC.

“**Filing Deadline**” means 10 calendar days after date of this Agreement and 10 days after any subsequent issue of Common Stock pursuant to the Merger Agreement.

“**FINRA**” means the Financial Industry Regulatory Authority.

“**Holder**” has the meaning set forth in the preamble of this Agreement.

“**Holder Information**” with respect to any Holder means information with respect to such Holder required to be included in any Shelf Registration Statement or the related Prospectus pursuant to the 1933 Act and which information is included therein in reliance upon and in conformity with information furnished to the Company in writing by such Holder specifically for inclusion therein.

“**Majority Holders**” means the Holders of a majority of the then outstanding Common Stock being registered under a Shelf Registration Statement; provided that shares of Common Stock that have been sold or otherwise transferred pursuant to the Shelf Registration Statement shall not be included in the calculation of Majority Holders.

“**Merger Agreement**” has the meaning set forth in the recitals to this Agreement.

“**Notice and Questionnaire**” means a Selling Securityholder Notice and Questionnaire substantially in the form of Exhibit A attached hereto.

“**Notice Holder**” means any Holder of Covered Securities that has delivered a properly completed and signed Notice and Questionnaire to the Company in accordance with Section 2(b) hereof.

“**Person**” means any natural person, corporation, limited liability company, unincorporated association, partnership, association, joint stock company, or trust.

“**Prospectus**” means the prospectus included in any Shelf Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A, 430B, or 430C under the 1933 Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Covered Securities covered by such Shelf Registration Statement, and all amendments and supplements to such prospectus, including all documents incorporated or deemed to be incorporated by reference in such prospectus.

“**Questionnaire Deadline**” has the meaning set forth in Section 2(b) hereof.

“**Record Holder**” means each Person who is registered on the books of the registrar of the Company’s Common Stock as the holder of Common Stock.

“**Rule 144**” means Rule 144 under the 1933 Act (or any successor provision promulgated by the SEC).

“**Rule 415**” means Rule 415 under the 1933 Act (or any successor provision promulgated by the SEC).

“**SEC**” means the Securities and Exchange Commission.

“**Shelf Registration**” means a registration effected pursuant to Section 2 hereof.

“**Shelf Registration Period**” has the meaning set forth in Section 2(c) hereof.

“**Shelf Registration Statement**” means any “shelf” registration statement of the Company filed pursuant to the provisions of Section 2(a) hereof that covers the Covered Securities on Form S-3 or on another appropriate form (as determined by the Company) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto, and all documents incorporated or deemed to be incorporated by reference therein.

“**Suspension Period**” has the meaning set forth in Section 2(d) hereof.

All references in this Agreement to financial statements and schedules and other information that is “contained,” “included,” or “stated” in the Shelf Registration Statement, any preliminary Prospectus, or Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information incorporated or deemed to be incorporated by reference in such Shelf Registration Statement, preliminary Prospectus, or Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Shelf Registration Statement, any preliminary Prospectus, or Prospectus shall be deemed to mean and include any document filed with the SEC under the 1934 Act, after the date of such Shelf Registration Statement, preliminary Prospectus, or Prospectus, as the case may be, which is incorporated or deemed to be incorporated by reference therein.

## 2. Shelf Registration Statement.

(a) **Filing of Registration Statement.** The Company shall, at its expense, prepare and, as soon as practicable but in no event later than the Filing Deadline, file with the SEC one or more Shelf Registration Statements (collectively the “Shelf Registration Statement”) with respect to resales of the Covered Securities by the Holders from time to time on a delayed or continuous basis pursuant to Rule 415 and in accordance with the methods of distribution set forth in such Shelf Registration Statement and thereafter shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective under the 1933 Act as soon as possible. The Company shall supplement or amend the Shelf Registration Statement if required by the rules, regulations, or instructions applicable to the registration form used by the Company for the Shelf Registration Statement, or by the 1933 Act, the 1934 Act, or the SEC. Promptly following the Effective Date, the Company promptly shall file with the SEC in accordance with Rule 424 under the 1933 Act the final Prospectus to be used in connection with sales pursuant to such Shelf Registration Statement.

### (b) Securities Registered

(i) **Holders to be Named in Shelf Registration Statement.** The Company shall name each Holder that delivers a properly completed and signed Notice and Questionnaire to the Company as a selling security holder in the Shelf Registration Statement. A Holder of Covered Securities may include such securities in the Shelf Registration Statement only if the Holder sends by first-class registered mail or by courier or recognized delivery company with delivery confirmation, a properly completed Notice and Questionnaire to the Company. In order to be included in the Shelf Registration Statement at the time of its effectiveness, the Notice and Questionnaire must be sent on or prior to the 15th Business Day after the date the Notice and Questionnaire is deemed to have been given in accordance with Section 7(c) hereof (“Questionnaire Deadline”).

(ii) **Amendments to Shelf Registration Statement.** Following the effectiveness of the Shelf Registration Statement, upon receipt of a completed Notice and Questionnaire from a Holder, the Company shall, as promptly as practicable, but in any event within 10 Business Days after its receipt thereof, file any amendments to the Shelf Registration Statement or supplements to the related Prospectus as are necessary to permit the Holder to deliver the Prospectus to purchasers of Covered Securities (subject to the right of the Company to suspend the use of the Prospectus as described in Section 2(d) hereof); provided, however, that (A) if a supplement to the related Prospectus is required to permit the Holder (or other Holders not included in the Shelf Registration Statement upon effectiveness) to deliver the Prospectus to purchasers of Covered Securities, the Company shall not be required to file more than one such supplement during any 30-day period and (B) if a post-effective amendment to the Shelf Registration Statement is required to permit the Holder (or other Holders not included in the Shelf Registration Statement upon effectiveness) to deliver the Prospectus to purchasers of Covered Securities, the Company shall have 30 Business Days to file such post-effective amendment and shall not be required to file more than one post-effective amendment to the Shelf Registration Statement in any 90-day period. The Company shall use its commercially reasonable efforts to cause any such post-effective amendment to become effective under the 1933 Act as promptly as is practicable; provided, that if a Notice and Questionnaire is delivered

to the Company during a Suspension Period, the Company shall not be obligated to amend the Shelf Registration Statement or supplement the Prospectus until the termination of such Suspension Period.

(iii) **Holder Information.** Each Holder as to which the Shelf Registration Statement is being effected shall furnish promptly to the Company upon the written request of the Company, which request shall only be made within three days of the proposed effectiveness of the Shelf Registration Statement or an amendment thereto, (A) such other information as the Company may reasonably request for use in connection with the Shelf Registration Statement or Prospectus or in any application to be filed with or under state securities laws and (B) all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not misleading.

(c) **Period of Effectiveness.** The Company shall use its commercially reasonable efforts to keep the applicable Shelf Registration Statement continuously effective, supplemented, and amended under the 1933 Act in order to permit the Prospectus forming a part thereof to be usable by the Notice Holders until the earliest to occur of (i) the one year anniversary of the date of the issuance of the Covered Securities; (ii) the date as of which, in the opinion of counsel to the Company, the Covered Securities may be sold under Rule 144 without volume or timing restrictions or limitations; (iii) the date as of which all applicable Covered Securities have been transferred under Rule 144; and (iv) such date as of which all Covered Securities have been sold pursuant to the applicable Shelf Registration Statement (in any such case, such period being called the “Shelf Registration Period”). The Company shall, in order to fulfill its obligations under this Section 2(c): (A) subject to Section 2(d), prepare and file with the SEC such amendments and post-effective amendments to the Shelf Registration Statement as may be necessary to keep the Shelf Registration Statement continuously effective for the Shelf Registration Period; (B) subject to Section 2(d), cause the related Prospectus to be supplemented by any required supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the 1933 Act; and (C) comply in all material respects with the provisions of the 1933 Act with respect to the disposition of all Covered Securities covered by the Shelf Registration Statement during the Shelf Registration Period.

(d) **Suspension of Registration Statement.** The Company may suspend the availability of any Shelf Registration Statement and the use of any Prospectus (the period during which the availability of any Shelf Registration Statement and any Prospectus may be suspended herein referred to as the “Suspension Period”) for a period not to exceed 90 days in the aggregate during any 12-month period, in each case for valid business reasons determined in good faith by the Company in its reasonable judgment, after consultation with and upon the advice of outside legal counsel (which shall not include the avoidance of the Company’s obligations hereunder), including, without limitation, the acquisition or divestiture of assets, pending corporate developments, public filings with the SEC, and similar events. Notwithstanding any other provision of this Agreement, the Company shall not voluntarily take any actions not required by applicable laws or regulations that would require it to suspend the availability of the Shelf Registration Statement or the use of any Prospectus and shall not suspend the Registration Statement unless required by applicable law or regulation, in either case during the first 90 days after the effectiveness of the Shelf Registration Statement

(e) **Underwriters.** The Company shall have the right to select the underwriter or underwriters, if any, subject to the approval of the Holders, which approval shall not be unreasonably withheld or delayed (with Deutsche Bank Securities and Cowan and Company being hereby approved) that will undertake the sale and distribution from time to time of the Covered Securities covered by the Shelf Registration Statement.

3. **Registration Procedures.** In connection with any Shelf Registration Statement, the following provisions shall apply:

(a) **Copies to Holders:** The Company shall (i) furnish to the Holders and the underwriters, if any, within a reasonable period of time, but in any event within five Business Days, prior to the filing thereof with the SEC to afford the Holders and their counsel a reasonable opportunity for review, a copy of each Shelf Registration Statement, and each amendment thereof, and a copy of each Prospectus, and each amendment or supplement thereto (excluding amendments caused by the filing of a report under the 1934 Act), and shall reflect in each such document, when so filed with the SEC, such comments as the Holders may reasonably propose therein; and (ii) include information regarding the Notice Holders and the methods of distribution they have elected for their Covered Securities provided to the Company in Notice and Questionnaires as necessary to permit such distribution by the methods specified therein.

(b) **Compliance with Law.** Subject to Section 2(d), the Company shall ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming a part thereof and any amendment or supplement thereto comply in all material respects with the 1933 Act and the rules and regulations thereunder; (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and (iii) any Prospectus forming a part of any Shelf Registration Statement, and any amendment or supplement to such Prospectus, does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation with respect to any Holder Information.

(c) **Notification to Holders.** The Company, as promptly as reasonably practicable (but in any event within two Business Days), shall notify the Holders, each Notice Holder, and the underwriters, if any, of the following:

(i) when any Prospectus or any supplement thereto has been filed with the SEC and when the Shelf Registration Statement or any post-effective amendment thereto has become effective;

(ii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of the Shelf Registration Statement or of any order preventing or suspending the use of any Prospectus or the initiation of any proceedings for that purpose;

(iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of the Covered Securities included in any Shelf Registration Statement for sale in any jurisdiction or the initiation of any proceeding for that purpose;

(iv) of the occurrence of, but not the nature of or details concerning, any event or the existence of any condition that requires the making of any changes in the Shelf Registration Statement or the Prospectus so that, as of such date, neither such Shelf Registration Statement nor the Prospectus contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading;

(v) of the Company's determination that a post-effective amendment to the Shelf Registration Statement is necessary (other than a post-effective amendment pursuant to Section 2(b)(ii)); and

(vi) of the commencement and termination of any Suspension Period.

(d) **Withdrawal of Suspension.** The Company shall use commercially reasonable efforts to obtain (i) the withdrawal of any order suspending the effectiveness of any Shelf Registration Statement and the use of any related Prospectus; and (ii) the lifting of any suspension of the qualification (or exemption from qualification) of any of the Covered Securities for offer or sale in any jurisdiction in which they have been qualified for sale, in each case at the earliest possible time, and shall provide notice to each Notice Holder and the Holders of the withdrawal of any such orders or suspensions.

(e) **Holders.** The Company shall promptly furnish, upon written request and without charge, to the Holders and any Notice Holder, (i) at least one copy of any Shelf Registration Statement and any post-effective amendment thereto, excluding all documents incorporated or deemed to be incorporated therein by reference and all exhibits thereto, (ii) promptly after the same is prepared and filed with the SEC, one copy of any Shelf Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, if requested by a Holder, and all exhibits, and (iii) upon the effectiveness of any Shelf Registration Statement, one copy of the Prospectus included in such Shelf Registration Statement and all amendments and supplements thereto, provided that the Company shall only be obligated to furnish those documents that are not available on the EDGAR System.

(f) **Copies of Prospectus.** The Company shall, during the Shelf Registration Period, promptly deliver to the Holders, each Notice Holder, and the underwriters, if any, as many copies of the Prospectus (including each preliminary Prospectus) included in any Shelf Registration Statement, and any amendment or supplement thereto, as such person may reasonably request and except as provided in Sections 2(d) and 3(n) hereof; and the Company hereby consents (except during a Suspension Period or during the continuance of an event described in Section 3(c)(ii) through (v)) to the use of the Prospectus and any amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the

Covered Securities covered by the Prospectus or any amendment or supplement thereto during the Shelf Registration Period.

(g) **Acceleration Request.** The Company shall submit to the SEC, within five Business Days after the Company learns that no review of a particular Shelf Registration Statement will be made by the staff of the SEC or that the staff has no further comments on a particular Shelf Registration Statement, as the case may be, a request for acceleration of effectiveness of such Shelf Registration Statement to a time and date not later than 72 hours after the submission of such request.

(h) **Blue Sky Laws.** Prior to any offering of Covered Securities pursuant to any Shelf Registration Statement, the Company shall, at its expense, register or qualify or cooperate with the Notice Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Covered Securities for offer and sale, under the securities or blue sky laws of such jurisdictions within the United States as any such Notice Holders reasonably request and shall maintain such qualification in effect so long as required and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Covered Securities covered by such Shelf Registration Statement; provided, however, that the Company will not be required to (i) qualify generally to do business as a foreign corporation or as a dealer in securities in any jurisdiction where it is not then so qualified or; (ii) take any action which would subject it to service of process or taxation in excess of a nominal dollar amount in any such jurisdiction where it is not then so subject.

(i) **Stock Certificates.** If the Covered Securities are in certificated form, the Company shall cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Covered Securities sold pursuant to any Shelf Registration Statement free of any restrictive legends and registered in such names as Holders may request at least two Business Days prior to settlement of sales of Covered Securities pursuant to such Shelf Registration Statement.

(j) **FINRA.** Subject to the exceptions contained in (i) and (ii) of Section 3(h) above, the Company shall use commercially reasonable efforts to cause the Covered Securities covered by the applicable Shelf Registration Statement to be registered with or approved by such other federal, state, and local governmental agencies or authorities, and self-regulatory organizations in the United States as may be necessary to enable the Holders to consummate the disposition of such Covered Securities as contemplated by the Shelf Registration Statement; without limitation to the foregoing, the Company shall provide all such information as may be required by FINRA in connection with the offering under the Shelf Registration Statement of the Covered Securities, and shall cooperate with each Holder in connection with any filings required to be made with FINRA by such Holder in that regard.

(k) **Post-Effective Amendments.** Upon the occurrence of any event described in Section 3(c)(iv) or 3(c)(v) hereof, the Company shall promptly prepare and file with the SEC a post-effective amendment to any Shelf Registration Statement, or an amendment or supplement to the related Prospectus, or any document incorporated therein by reference, or file a document that is incorporated or deemed to be incorporated by reference in such Shelf Registration Statement or Prospectus, as the case may be, so that, as thereafter delivered to

purchasers of the Covered Securities included therein, the Shelf Registration Statement and the Prospectus, in each case as then amended or supplemented, will not include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading and, in the case of a post-effective amendment, use its commercially reasonable efforts to cause it to become effective as promptly as practicable; provided that the Company's obligations under this paragraph (k) shall be suspended if the Company has suspended the use of the Prospectus in accordance with Section 2(d) hereof and given notice of such suspension to Notice Holders, it being understood that the Company's obligations under this Section 3(k) shall be automatically reinstated at the end of such Suspension Period.

(l) **Compliance with SEC Rules.** The Company shall use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC and shall make generally available to its security holders an earnings statement satisfying the provisions of Section 11(a) of the 1933 Act and Rule 158 promulgated by the SEC thereunder (or any similar rule promulgated under the 1933 Act) for a 12-month period commencing on the first day of the first fiscal quarter of the Company commencing after the effective date of any Shelf Registration Statement or each post-effective amendment to any Shelf Registration Statement, which such statements shall be made available no later than 45 days after the end of the 12-month period or 90 days after the end of the 12-month period, if the 12-month period coincides with the fiscal year of the Company. In addition, the Company shall use commercially reasonable efforts to file in a timely manner all reports required to be filed pursuant to the 1934 Act to allow the Company to remain eligible to use Form S-3 during the Shelf Registration Period for any offering of the Covered Securities.

(m) **Exchange Listing.** The Company shall cause all shares of Common Stock to be reserved for listing on each securities exchange or quotation system on which the Common Stock is then listed no later than the date the applicable Shelf Registration Statement is declared effective and shall cause all Common Stock to be so listed when issued, and, in connection therewith, to make such filings as may be required under the 1934 Act and to have such filings declared effective as and when required thereunder.

(n) **Suspension of Disposition.** Each Notice Holder agrees that, upon receipt of notice of the happening of an event described in Sections 3(c)(ii) through and including 3(c)(vi), such Notice Holder shall forthwith discontinue (and shall cause its agents and representatives to discontinue) disposition of Covered Securities and will not resume disposition of Covered Securities until such Notice Holder has received copies of an amended or supplemented Prospectus contemplated by Section 3(k) hereof, or until such Notice Holder is advised in writing by the Company that the use of the Prospectus may be resumed or that the relevant Suspension Period has been terminated, as the case may be, provided that the foregoing shall not prevent the sale, transfer, or other disposition of Covered Securities by a Holder in a transaction that is exempt from, or not subject to, the registration requirements of the 1933 Act, so long as such Holder does not and is not required to deliver the applicable Prospectus or Shelf Registration Statement in connection with such sale, transfer, or other disposition, as the case may be.

(o) **Cooperation with Underwriters.** To the extent that underwriters are involved in an offering of Covered Securities, the Company shall:

(i) make representations and warranties to the underwriters in form, scope, and substance as are customarily made by issuers to underwriters in such underwritten offerings;

(ii) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions shall be reasonably satisfactory in form, scope, and substance to the underwriters) addressed to the underwriters, covering the matters customarily covered in opinions requested in such underwritten offerings and such other matters as may be reasonably requested by such underwriters;

(iii) obtain “comfort letters” and updates thereof from the Company’s independent certified public accountants addressed to the underwriters; such letters shall be in customary form and covering matters of the type customarily covered in “comfort letters” to underwriters in connection with such underwritten offerings;

(iv) if an underwriting agreement is entered into, enter into customary indemnification and contribution provisions and procedures as the underwriters shall reasonably request with respect to all parties to be indemnified pursuant to Section 5; and

(v) deliver such documents and certificates as may be reasonably requested by the underwriters, and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

**4. Registration Expenses.** The Company shall bear all fees and expenses incurred by it in connection with the performance of its obligations under Sections 2 and 3 hereof. Such fees and expenses shall include, without limitation (a) all registration and filing fees and expenses (including filings made with FINRA); (b) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (c) all expenses of printing (including printing of Prospectuses) and the Company’s expenses for messenger and delivery services and telephone; (d) all fees and disbursements of counsel to the Company; (e) all application and filing fees in connection with listing (or authorizing for quotation) the Common Stock on a national securities exchange or automated quotation system pursuant to the requirements hereof; and (f) all fees and disbursements of independent certified public accountants of the Company. The Company shall bear its internal expenses (including, without limitation, all salaries and expenses of their officers and employees performing legal, accounting, or other duties), the expenses of any annual audit, and the fees and expenses of any Person, including special experts, retained by the Company. Notwithstanding the provisions of this Section 4, each Holder shall bear the expense of any broker’s commission, agency fee, and underwriter’s discount or commission, if any, relating to the sale or disposition of such Holder’s Covered Securities pursuant to a Shelf Registration Statement.

#### **5. Indemnification and Contribution.**

(a) **Indemnification by Company.** The Company agrees to indemnify and hold harmless each Holder of Covered Securities covered by any Shelf Registration Statement,

its directors, officers, partners, members, advisors, and employees and each Person, if any, who controls any such Holder within the meaning of either the 1933 Act or the 1934 Act (collectively referred to for purposes of this Section 5 as a “Holder”) against any losses, claims, damages, or liabilities, joint or several, or actions in respect thereof, to which any of them may become subject, under the 1933 Act or otherwise, insofar as such losses, claims, damages, liabilities, or actions arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Shelf Registration Statement, or in any Prospectus, or any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein (in the case of any Prospectus, in the light of the circumstances under which they were made) not misleading, and will reimburse each such Holder for any legal or other expenses reasonably incurred by such Holder in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that: (i) the Company shall not be liable in any such case to the extent that any such loss, claim, damage, or liability arises out of or is based upon Holder Information; and (ii) with respect to any untrue statement or omission of material fact made in any Shelf Registration Statement, or in any Prospectus, the indemnity agreement contained in this Section 5(a) shall not inure to the benefit of a Holder from whom the Person asserting any such loss, claim, damage, or liability purchased the securities concerned, to the extent that any such loss, claim, damage, or liability of such Holder occurs under the circumstance where it shall have been established that: (w) the Company had previously furnished copies of the Prospectus, and any amendments and supplements thereto, to such Holder; (x) delivery of the Prospectus, and any amendment or supplements thereto, was required by the 1933 Act to be made to such Holder; (y) the untrue statement or omission of a material fact contained in the Prospectus was corrected in amendments or supplements thereto; and (z) there was not sent or given to such Holder, at or prior to the written confirmation of the sale of such securities to such Holder, a copy of such amendments or supplements to the Prospectus. This indemnity agreement will be in addition to any liability that the Company may otherwise have. This indemnity agreement will not apply to any loss, damage, expense, liability, or claim arising from an offer or sale, occurring during a Suspension Period, of Covered Securities by a Notice Holder who has previously received notice from the Company of the commencement of the Suspension Period pursuant to Section 3(c)(vi).

(b) **Indemnification by Holders.** Each Holder, severally and not jointly, agrees to indemnify and hold harmless the Company, each of its directors, officers, advisors, and employees and each Person, if any, who controls the Company within the meaning of either the 1933 Act or the 1934 Act, to the same extent as the foregoing indemnity from the Company to the Holders and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any loss, claim, damage, liability, or action, but only with reference to Holder Information supplied by such Holder. In no event shall any Holder, its directors, officers, partners, members, or employees or any Person, if any, who controls such Holder be liable or responsible for any amount in excess of the amount by which the total amount received by such Holder with respect to its sale of Covered Securities pursuant to a Shelf Registration Statement exceeds: (i) the amount paid by such Holder for such Covered Securities, plus (ii) the amount of any damages that such Holder, its directors, officers, or any Person who controls such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged

omission. This indemnity agreement will be in addition to any liability that such Holder may otherwise have.

(c) **Notification.** Promptly after receipt by an indemnified party under this Section 5 of notice of any claim or the commencement of any action or proceeding (including any governmental investigation), such indemnified party will, if a claim for indemnification in respect thereof is to be made against the indemnifying party under Section 5(a) or 5(b) hereof, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In case any such action or proceeding is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein (jointly with any other indemnifying party similarly notified), and to the extent that it may elect, by written notice, delivered to such indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, that if the defendants (including any impleaded parties) in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to appoint counsel to defend such action and approval by the indemnified party of such counsel, the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless: (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expense of more than one separate counsel (in addition to any local counsel), approved by the Holders in the case of paragraph (a) of this Section 5, representing the indemnified parties under such paragraph (a) who are parties to such action); (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice or commencement of the action; (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; or (iv) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit, or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise, or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit, or proceeding. Subject to the provisions of the immediately following sentence, no indemnifying party shall be liable for any settlement, compromise, or the consent to the entry of judgment in connection with any such action effected without its written consent, but if settled with its written consent or if there be a final judgment for the plaintiff in any such action other than a

judgment entered with the consent of such indemnified party, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. If at any time an indemnified party shall have requested that an indemnifying party reimburse the indemnified party for reasonable fees and expenses of counsel as contemplated by this Section 5(c) and to which it would be entitled under Section 5(a) or 5(b) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if: (x) such settlement is entered into more than 45 days after receipt by such indemnifying party of such request for reimbursement, (y) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into, and (z) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(d) **Contribution.** In the event that the indemnity provided in paragraph (a) or (b) of this Section 5 is unavailable to or insufficient to hold harmless an indemnified party for any reason, each indemnifying party agrees to contribute to the aggregate losses, claims, damages, and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively, "Losses") to which the indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company from the issuance of the Covered Securities, on the one hand, and a Holder with respect to the sale by such Holder of Covered Securities, on the other hand; provided, however, that in no case shall an indemnifying party that is a Holder be responsible for any amount in excess of the total price (net of any commission or underwriting fee or discount) at which the Covered Securities are sold by such Holder to a purchaser. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and such Holder shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of such Holder on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and such Holder on the other shall be deemed to be in the same respective proportions as the total net proceeds from the issuance of the Covered Securities received by or on behalf of the Company, on the one hand, and the total proceeds received by such Holder with respect to its sale of Covered Securities under the Shelf Registration Statement, on the other hand, bear to the total of both such amounts. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or relates to Holder Information supplied by such Holder, on the other hand, the intent of the parties and their relative knowledge, information, and opportunity to correct or prevent such untrue statement or omission. The parties agree that it would not be just and equitable if contribution pursuant to this paragraph (d) were determined by pro rata allocation or any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 5(d), each Person who controls such Holder within the meaning of either the 1933 Act or the 1934 Act shall have the same rights to contribution as such Holder, and each Person who controls the Company within the meaning of either the 1933 Act or the 1934 Act

shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) **Survival.** The provisions of this Section 5 will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder, any underwriter, or the Company or any of the officers, directors, or controlling Persons referred to in Section 5 hereof, and will survive the sale by a Holder of Covered Securities covered by a Shelf Registration Statement.

(f) **Rule 144.** The Company covenants that it shall use commercially reasonable efforts to file the reports required to be filed by it under the 1933 Act and the 1934 Act in a timely manner so long as the Covered Securities remain outstanding. The Company further covenants that, for as long as any Covered Securities remain outstanding, it will take such further action as any Holder of Covered Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Covered Securities without registration under the 1933 Act within the limitation of the exemptions provided by Rule 144. Upon the written request of any Holder of Covered Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. The Company further covenants that in the event the Company fails, in violation of this Section 5, to take any actions required to enable any Holder to sell Covered Securities pursuant to Rule 144, the Company will use commercially reasonable efforts to take any such actions as may be required to again enable Holders to sell pursuant to Rule 144, and in the event the Company determines that it is no longer eligible to use Form S-3, it shall use commercially reasonable efforts to file a registration statement on the appropriate form, including Form S-1, as soon as practicable covering the registration of the resale of the Covered Securities by the Holders and shall use its commercially reasonable efforts to cause such registration statement to be declared effective by the SEC under the 1933 Act as soon as possible.

6. **Holder's Obligation.** Each Holder agrees that no Holder shall be entitled to sell any of the Common Stock pursuant to a Shelf Registration Statement or to receive a Prospectus relating thereto unless such Holder has furnished the Company with a completed Notice and Questionnaire as required pursuant to Section 2(b).

#### 7. **Miscellaneous.**

(a) **No Inconsistent Agreements.** Except as provided herein, the Company has not, as of the date hereof, entered into nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(b) **Amendments and Waivers.** The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified, or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company consents in writing and the Company has obtained the written consent of at least the Majority Holders; provided that with respect to any matter that adversely affects the rights of the Holders hereunder, the Company shall obtain the written consent of the Holders against which such amendment, qualification, supplement, waiver, or consent is to be effective.

Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Covered Securities are being sold pursuant to a Shelf Registration Statement and that does not adversely affect the rights of other Holders may be given by the Majority Holders.

(c) **Notices.** All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier, or air courier guaranteeing overnight delivery:

(i) if to the Holders, at the most current address of such Holder maintained by the registrar of the Common Stock, or, in the case of the Notice Holders, the address set forth in their Notice and Questionnaire;

with copies to

William C. Cohen, Jr.  
408 Hampton  
Wichita, Kansas 67206  
Phone: (316) 266-6210  
Fax: (316) 266-6254  
E-mail: wc.cohen@imacorpcapital.com

with a copy given in the manner  
prescribed above, to:

Bass, Berry & Sims PLC  
315 Deaderick Street  
Suite 2700  
Nashville, Tennessee 37238  
Attention: Howard H. Lamar III, Esq.  
Phone: (615) 742-6209  
Fax: (615) 742-2709  
E-mail: hlamar@bassberry.com

(ii) if to the Company, to:

Smith & Wesson Holding Corporation  
2100 Roosevelt Avenue  
Springfield, Massachusetts 01104  
Telephone: (413) 747-3349  
Facsimile: (413) 739-8528  
Attention: Michael F. Golden

With a copy to:

Greenberg Traurig, LLP  
2375 East Camelback Rd., Suite 700  
Phoenix, AZ 85016  
Telephone: (602) 445-8302  
Facsimile: (602) 445-8100  
Attention: Robert S. Kant, Esq.

All such notices and communications shall be deemed to have been duly given when received, if delivered by hand or air courier, and when sent (with confirmation of receipt), if sent by first-class mail or telecopier.

The Holders or the Company by notice to the other may designate additional or different addresses for subsequent notices or communications.

(d) **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties.

(e) **Counterparts.** This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) **Governing Law.** All questions concerning the construction, validity, enforcement, and interpretation of this Agreement shall be governed by the internal 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 jurisdictions) that would cause the application of the laws of any jurisdictions other than the state of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts of the state of Delaware located in New Castle County, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum, or that the venue of such suit, action, or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action, or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. **EACH PARTY HEREBY IRREVOCABLY WAIVES**

**ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(h) **Severability.** In the event that any one of more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal, or unenforceable in any respect for any reason, the validity, legality, and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(i) **Termination.** This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Shelf Registration Period, except for any liabilities or obligations under Section 5 or Z(g).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, each Holder and the Company have caused their respective signature page to this Registration Agreement to be duly executed as of the date first written above.

**COMPANY:**

**SMITH & WESSON HOLDING CORPORATION**

By: /s/ Michael F. Golden \_\_\_\_\_

Name: Michael F. Golden

Title: President and CEO

**SIGNATURE PAGE TO REGISTRATION AGREEMENT**

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**HOLDERS:**

/s/ Matthew A. Gelfand  
\_\_\_\_\_  
**MATTHEW A. GELFAND**

/s/ David R. Gelfand  
\_\_\_\_\_  
**DAVID R. GELFAND**

/s/ James C. Herrmann  
\_\_\_\_\_  
**JAMES C. HERRMANN**

/s/ Peter Nofi  
\_\_\_\_\_  
**PETER NOFI**

**THE W.C. COHEN, JR. REVOCABLE TRUST DATED AS  
OF DECEMBER 23, 1998**

By: /s/ William C. Cohen, Jr.  
\_\_\_\_\_  
Name: William C. Cohen, Jr.  
Title: Trustee

**B&D — R&S, INC.**

By: /s/ William C. Cohen, Jr.  
\_\_\_\_\_  
Name: William C. Cohen, Jr.  
Title: Secretary and Treasurer

**DAKOTA INVESTMENTS, LLC**

By: /s/ Robert L. Cohen  
\_\_\_\_\_  
Name: Robert L. Cohen  
Title: Manager

**TRIPLE J OF WICHITA, LLC**

By: /s/ Ronald J. Cornejo  
\_\_\_\_\_  
Name: Ronald J. Cornejo  
Title: Member

/s/ Howard N. Marcus  
\_\_\_\_\_  
**HOWARD N. MARCUS**

**SIGNATURE PAGE TO REGISTRATION AGREEMENT**

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**SGM CAPITAL, LLC**

By: /s/ Stephen McConahey

Name: Stephen McConahey

Title: Manager

**THE W. TOM MEREDITH MARITAL TRUST**

By: /s/ Judith Meredith

Name: Judith Meredith

Title: Trustee

**COHEN-BUTLER, LLC**

By: /s/ William C. Cohen, Jr.

Name: William C. Cohen, Jr.

Title: Manager

/s/ John C. Hamilton

**JOHN C. HAMILTON**

**JARL BERNTZEN**

**J. DANIEL PLANTS**

/s/ Shez Bandukwala

**SHEZ BANDUKWALA**

**INVESTCORP INTERLACHEN MULTI-STRATEGY  
MASTER FUND LIMITED**

By: Interlachen Capital Group LP, Authorized Signatory

By: /s/ Gregg T. Colburn

Name: Gregg T. Colburn

Title: Authorized Signatory

/s/ Wesley M. Foss

**WESLEY M. FOSS**

/s/ Leonard T. Safford

**LEONARD T. SAFFORD**

SMITH & WESSON HOLDING CORPORATION  
AND  
CERTAIN AFFILIATED ENTITIES

**AMENDMENT NO. 3 AND JOINDER TO CREDIT AGREEMENT**

This Amendment No. 3 and Joinder to Credit Agreement (this "Amendment No. 3") dated as of July 20, 2009 (the "Amendment Date"), is among Smith & Wesson Holding Corporation, a Nevada corporation ("Holdings"), Smith & Wesson Corp., a Delaware corporation ("S&W Corp."), Thompson/Center Arms Company, Inc., a New Hampshire corporation ("TCAC" and, together with Holdings and S&W Corp., the "Initial Borrowers"), Thompson Center Holding Corporation, a Delaware corporation ("TCHC"), Fox Ridge Outfitters, Inc., a New Hampshire corporation ("Fox Ridge"), Bear Lake Holdings, Inc., a Delaware corporation ("Bear Lake"), K.W. Thompson Tool Company, Inc., a New Hampshire corporation ("K.W. Thompson"), O.L. Development, Inc., a New Hampshire corporation ("O.L. Development"), and Universal Safety Response, Inc. (formerly known as SWAC-USR II, Inc.), a Delaware corporation, successor by merger to Universal Safety Response, Inc., a New York corporation, successor by merger to SWAC USR-I, Inc., a Delaware corporation (the "New Subsidiary" and, together with the Initial Borrowers, the "Borrowers" and each individually, a "Borrower", and the Borrowers, together with TCHC, Fox Ridge, Bear Lake, K.W. Thompson and O.L. Development, the "Loan Parties" and each individually a "Loan Party"), the Lenders (as defined below), and TD Bank, N.A., a national banking association ("TD Bank"), in its capacity as administrative agent (in such capacity, the "Administrative Agent") for itself and the other lenders party to the Credit Agreement (as defined below) from time to time (the "Lenders").

RECITALS:

WHEREAS, the Initial Borrowers have entered into that certain Credit Agreement dated as of November 30, 2007 with the Lenders and the Administrative Agent, as amended by that certain Amendment No. 1 to Credit Agreement and Assignment and Acceptance of Collateral Documents dated as of October 31, 2008 and that certain Amendment No. 2 to Credit Agreement dated as of March 12, 2009 (as so amended and as it may be further amended from time to time, the "Credit Agreement");

WHEREAS, Holdings has informed the Agent and the Lenders that Holdings has entered into an Agreement and Plan of Merger dated as of June 18, 2009 (the "Purchase Agreement") among Holdings, SWAC-USR I, Inc., a Delaware corporation and wholly-owned subsidiary of Holdings ("SWAC I"), the New Subsidiary, Universal Safety Response, Inc., a New York corporation ("Predecessor USR"), and William C. Cohen, Jr., as Stockholders' Representative (the "Stockholders' Representative"), pursuant to which Holdings shall acquire Predecessor USR, for a purchase price in the amount of \$52,500,000 payable in cash and common stock of

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Holdings (the "Purchase Price"), which acquisition shall be effected through the following transactions (collectively, the "USR Acquisition"): (a) SWAC I shall merge with and into Predecessor USR in a transaction whereby Predecessor USR shall continue as the surviving corporation and a wholly-owned subsidiary of Holdings and the separate existence of SWAC I shall cease (the "Initial Merger") and (b) immediately after the consummation of the Initial Merger, Predecessor USR shall merge with and into the New Subsidiary in a transaction whereby the New Subsidiary shall continue as the surviving corporation and a wholly-owned subsidiary of Holdings and the separate existence of Predecessor USR shall cease (the "Subsequent Merger" and, together with the Initial Merger, the "Mergers");

WHEREAS, Holdings has informed the Administrative Agent and the Lenders that the USR Acquisition constitutes a Permitted Acquisition under and as defined in the Credit Agreement;

WHEREAS, pursuant to Section 6.13 of the Credit Agreement, Holdings is required to cause the New Subsidiary to guaranty the obligations of the the Initial Borrowers under the Loan Documents and, concurrently herewith, the New Subsidiary is executing and delivering certain joinders to the Loan Documents as more particularly set forth in Section 6.3 below pursuant to which it will guaranty such obligations, but the New Subsidiary also wishes to become a party to the Credit Agreement as an additional "Borrower" thereunder with respect to the revolving credit facility thereunder;

WHEREAS, in connection with the execution and delivery of the Credit Agreement, the Initial Borrowers entered into a post-closing letter dated as of November 30, 2007 among the Initial Borrowers and the Administrative Agent (the "Post-Closing Letter") and, pursuant to Section 4 of the Post-Closing Letter, the Initial Borrowers agreed to cause the dissolution and liquidation of Smith & Wesson Firearms Training Centre GmbH (the "German Subsidiary") on or before November 30, 2008;

WHEREAS, the Initial Borrowers have failed to cause the dissolution and liquidation of the German Subsidiary and, pursuant to the Post-Closing Letter, such failure, at the option of the Administrative Agent, could constitute an Event of Default under the Credit Agreement (the "Potential Event of Default");

WHEREAS, the Administrative Agent has not yet declared the Potential Event of Default as an Event of Default;

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders waive the requirement under the Post-Closing Letter that the Borrowers cause the dissolution and liquidation of the German Subsidiary, and the Administrative Agent and the Lenders have agreed to do so, subject to the terms and conditions set forth herein;

WHEREAS, the Loan Parties, the Administrative Agent and the Lenders wish to enter into this Amendment No. 3 to add the New Subsidiary as a party to the Credit Agreement as an additional Borrower thereunder, to amend certain provisions of the Credit Agreement to reflect the consummation of the USR Acquisition and such addition of the New Subsidiary as a party to

the Credit Agreement and to grant the waivers referred to in the immediately preceding recital, all as more particularly set forth herein;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Recitals. The foregoing recitals are hereby incorporated by reference herein.

2. Definitions. Terms defined in the Credit Agreement and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement.

3. Joinder of New Subsidiary. By executing this Amendment No. 3, the New Subsidiary hereby becomes a party to the Credit Agreement as a "Borrower" with the same force and effect as if originally named therein as a "Borrower" and, without limiting the generality of the foregoing, hereby expressly agrees to be bound by all of the terms and provisions of the Credit Agreement and to pay and perform all obligations and liabilities of a Borrower under the Credit Agreement. In furtherance of the foregoing, the New Subsidiary and each of the other Borrowers hereby acknowledge and agree that the obligations of the New Subsidiary and the other Borrowers under the Credit Agreement are joint and several. The New Subsidiary hereby represents and warrants that (a) it has received a complete copy of the Credit Agreement and each of the other Loan Documents, (b) it has fully reviewed each and every provision of the Credit Agreement and each of the other Loan Documents and discussed the same with legal counsel selected by the New Subsidiary and (c) each of the representations and warranties contained in Article V of the Credit Agreement made by each Borrower are true and correct on and as of the date hereof as to the New Subsidiary. Each Loan Party hereby acknowledges and agrees that from and after the date hereof all references in the Credit Agreement, the Guaranty and each of the other Loan Documents to the "Borrowers" shall be deemed to include the New Subsidiary.

4. Amendments to Credit Agreement. The parties hereto hereby agree that, effective on the Amendment Date, the Credit Agreement is hereby amended as follows:

4.1 The preamble to the Credit Agreement is hereby amended by deleting the parenthetical set forth on the fifth and sixth lines of the preamble which reads "(Holdings, S&W Corp. and TCAC are, individually, "Borrower" and, collectively, "Borrowers")" and replacing it with the following: "(Holdings, S&W Corp. and TCAC are, individually, an "Initial Borrower" and, collectively, the "Initial Borrowers")."

4.2 Section 1.01 of the Credit Agreement is hereby amended by deleting the definitions of "Borrower(s)", "Guaranty", "Holdings/S&W Corp. Guaranty", "Holdings/TCAC Guaranty" and "Operating Company" in their entirety and substituting the following therefor:

"Borrower(s)" means (a) from the Effective Date to but not including the Third Amendment Date, the Initial Borrowers and (b) from and after the Third Amendment Date, the Initial Borrowers and USR.

“Guaranty” means, as the context requires, each and all of (a) the Subsidiary Guaranty, the Holdings/TCAC Guaranty, the Holdings/S&W Corp. Guaranty and the Operating Companies Guaranty, each of even date herewith, and (b) the Holdings/S&W Corp./TCAC Guaranty dated as of the Third Amendment Date, in each case, as the same may be amended, restated or modified from time to time.

“Holdings/S&W Corp. Guaranty” means the Guaranty by Holdings, S&W Corp., and any other entity (including without limitation, USR) becoming a party thereto as an additional guarantor from time to time in favor of the Administrative Agent on behalf of the Secured Parties, substantially in the form of Exhibit H-1.

“Holdings/TCAC Guaranty” means the Guaranty made by Holdings, TCAC and any other entity (including without limitation, USR) becoming a party thereto as an additional guarantor from time to time in favor of the Administrative Agent on behalf of the Secured Parties, substantially in the form of Exhibit H-2.

“Operating Company” means S&W Corp., TCAC and USR and/or any other Loan Party now or hereafter designated by the Administrative Agent as an Operating Company.”

4.3 Section 1.01 is hereby further amended by inserting the following new definitions therein in appropriate alphabetical order:

“Holdings/S&W Corp./TCAC Guaranty” means the Guaranty made by Holdings, S&W Corp., TCAC and any other entity becoming a party thereto as an additional guarantor from time to time in favor the Administrative Agent on behalf of the Secured Parties, substantially in the form of Exhibit H-3.

“Third Amendment” means Amendment No. 3 and Joinder to Credit Agreement dated as of the Third Amendment Date among the Loan Parties, the Lenders and the Administrative Agent.

“Third Amendment Date” means July 20, 2009.

“USR” means Universal Safety Reponse, Inc. (formerly known as SWAC-USR II, Inc.), a Delaware corporation, successor by merger to Universal Safety Response, Inc., a New York corporation, successor by merger to SWAC-USR I, Inc., a Delaware corporation.

4.4 Section 7.03(a) of the Credit Agreement is hereby amended by (a) deleting the word “and” set forth at the end of clause (ii) thereof and (b) inserting the following therein as new clause (iv) immediately after clause (iii) thereof and immediately prior to the proviso set forth in Section 7.03(a):

“and (iv) any Loan Party or Subsidiary may merge with another Person in connection with a Permitted Acquisition so long as such Loan Party is the surviving entity in any such merger involving a Loan Party”

4.5 Section 7.04(a) of the Credit Agreement is hereby amended by deleting such Section 7.04(a) in its entirety and substituting the following therefor:

“(a) Permitted Investments, provided that, in the case of investments described in clauses (a) through (e) of the definition of Permitted Investments, such investments shall be subject to control agreements in favor of the Administrative Agent or otherwise subject to a perfected security interest in favor of the Administrative Agent;”

4.6 The Schedules to the Credit Agreement are hereby amended by deleting such Schedules in their entirety and replacing them with the updated Schedules attached hereto.

4.7 The Exhibits to the Credit Agreement are hereby amended by deleting Exhibit D (Form of Borrowing Base Certificate) to the Credit Agreement in its entirety and replacing it with Exhibit D attached hereto.

5. Representations and Warranties. Each of the Loan Parties, by its execution hereof, jointly and severally represents and warrants as follows:

5.1. Legal Existence; Organization. Each Loan Party is duly organized and validly existing and in good standing under the laws of the jurisdiction of its organization and under the laws of each other jurisdiction in which it is qualified to do business, with all power and authority (corporate or otherwise) necessary (a) to enter into this Amendment No. 3 and the documents executed in connection herewith and to perform all of its obligations hereunder and thereunder and (b) to own its properties and carry on the business now conducted or proposed to be conducted by it. Each of Holdings, SWAC I and the New Subsidiary has all power and authority (corporate or otherwise) necessary to enter into the USR Purchase Agreement and all documents and agreements entered into in connection therewith (collectively, the “USR Purchase Documents”), to perform all of its obligations thereunder and to consummate the USR Acquisition in accordance with the terms thereof.

5.2. Enforceability. Each Loan Party has taken all action (corporate or otherwise) required to make the provisions of this Amendment No. 3 and the documents executed in connection herewith valid and enforceable obligations of such Loan Party, as they purport to be. Each Loan Party has duly authorized, executed and delivered this Amendment No. 3 and the documents executed in connection herewith. This Amendment No. 3 and each document executed in connection herewith is the legal, valid and binding obligations of such Loan Party and each is enforceable against such Loan Party in accordance with its terms. Each of Holdings, SWAC I and the New Subsidiary has taken all action (corporate or otherwise) required to make the provisions of the USR Purchase Documents valid and enforceable obligations of Holdings, SWAC I and the New Subsidiary, as they purport to be. Each of Holdings, SWAC I and the New Subsidiary has duly authorized, executed and delivered each USR Purchase Document to which it is a party. Each USR Purchase Document is the legal, valid and binding obligation of each of Holdings, SWAC I and the New Subsidiary, and each is enforceable against each of Holdings, SWAC I and the New Subsidiary in accordance with its terms, in each case, to the extent it is a party thereto.

5.3. No Legal Obstacle to Agreements. Neither the execution, delivery or performance by any Loan Party of this Amendment No. 3 or any document executed in connection herewith nor the execution, delivery or performance by Holdings, SWAC I or the New Subsidiary of the USR Purchase Documents, nor the consummation of any other transaction referred to or contemplated by this Amendment No. 3, any document executed in connection herewith or the USR Purchase Documents, nor the fulfillment of the terms hereof or thereof, has constituted or resulted in or will constitute or result in:

5.3.1 any breach or termination of any agreement, instrument, deed or lease to which such Loan Party or SWAC I is a party or by which such Loan Party or SWAC I is bound, or of the charter, by-laws or other organizational documents, as applicable, of such Loan Party or SWAC I;

5.3.2 the violation of any law, judgment, decree or governmental order, rule or regulation applicable to such Loan Party or SWAC I;

5.3.3 the creation under any agreement, instrument, deed or lease of any Lien (other than Liens on the Collateral which secure the Obligations) upon any of the assets of such Loan Party or SWAC I; or

5.3.4 any redemption, retirement or other repurchase obligation of such Loan Party or SWAC I under any charter, by-law, organizational document, agreement, instrument, deed or lease to which such Loan Party or SWAC I is a party.

Except such as have been obtained and are in full force and effect, no approval, authorization or other action by, or declaration to or filing with, any governmental or administrative authority or any other Person is required to be obtained or made by any Loan Party or SWAC I in connection with the execution, delivery and performance by such Loan Party of this Amendment No. 3 or any document executed in connection herewith or the consummation of the transactions contemplated hereby or thereby or the execution, delivery and performance by such Loan Party or SWAC I of the USR Purchase Documents or any transaction contemplated thereby.

5.4. Defaults. No Default exists or, immediately after giving effect to this Amendment No. 3 and the consummation of the USR Acquisition, will exist.

5.5. Incorporation of Representations and Warranties. The representations and warranties set forth in Article V of the Credit Agreement and in Section 10 of the Holdings/TCAC Guaranty, Section 10 of the Holdings/S&W Corp. Guaranty, Section 10 of the Operating Companies Guaranty and Section 10 of the Subsidiary Guaranty are each true and correct in all material respects on the date hereof as if originally made on and as of the date hereof, except (a) to the extent that such representations and warranties expressly relate to an earlier date, in which case, such representations and warranties shall be true and correct as of such earlier date, provided that all representations and warranties set forth in Article V with respect to the Schedules shall be true and correct as of the date hereof with reference to the updated Schedules delivered herewith and (b) for purposes of this Section 5.5, all references in

Article V of the Credit Agreement to the “Loan Parties” shall be deemed to include the New Subsidiary.

5.6 Permitted Acquisition. The USR Acquisition constitutes a “Permitted Acquisition” under and as defined in the Credit Agreement.

6. Conditions. The effectiveness of this Amendment No. 3 shall be subject to and shall occur upon the satisfaction of the following conditions:

6.1 Corporate Matters. The Administrative Agent shall have received such documents and certificates as the Administrative Agent may reasonably request relating to the due organization, valid existence and good standing of the New Subsidiary (other than the foreign qualification certificates of the New Subsidiary to be delivered in accordance with Section 11 below), the other Borrowers and SWAC I, the authorization of this Amendment No. 3, the USR Purchase Documents and any and all other documents, instruments and agreements contemplated hereby or thereby or executed and delivered in connection herewith or therewith, and any other legal matters relating to the Loan Parties, this Amendment No. 3, the other Loan Documents or the USR Acquisition, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

6.2 Consummation of this Amendment No. 3. The Administrative Agent shall have received this Amendment No. 3 fully executed by the parties hereto.

6.3 Joinders and Other Amendments. The Administrative Agent shall have received (i) a Second Amended and Restated Revolving Line of Credit Note in the form of Exhibit A-1 annexed hereto, duly executed by the Borrowers, (ii) a Joinder Agreement with respect to the Holdings/S&W Corp. Guaranty in the form of Exhibit A-2 annexed hereto, duly executed by the New Subsidiary, pursuant to which the New Subsidiary shall become a party to the Holdings/S&W Corp. Guaranty as an additional guarantor thereunder, (iii) a Joinder Agreement with respect to the Holdings/TCAC Guaranty in the form of Exhibit A-3 annexed hereto, duly executed by the New Subsidiary, pursuant to which the New Subsidiary shall become a party to the Holdings/TCAC Guaranty as an additional guarantor thereunder, (iv) a Joinder Agreement with respect to the Operating Companies Guaranty in the form of Exhibit A-4 annexed hereto, duly executed by the New Subsidiary, pursuant to which the New Subsidiary shall become a party to the Operating Companies Guaranty as an additional guarantor thereunder, (v) a Joinder Agreement with respect to the Pledge and Security Agreement in the form of Exhibit A-5 annexed hereto, duly executed by the New Subsidiary, pursuant to which the New Subsidiary shall become party to the Pledge and Security Agreement as an additional pledgor thereunder, (vi) a Joinder Agreement with respect to Hazardous Materials Indemnity Agreement in the form of Exhibit A-6 annexed hereto, duly executed by the New Subsidiary, pursuant to which the New Subsidiary shall become a party to the Hazardous Materials Indemnity Agreement as an additional Indemnitor thereunder and (vii) the Holding/S&W Corp./TCAC Guaranty in the form of Exhibit H-3 annexed hereto, duly executed by each of Holdings, S&W Corp. and TCAC, pursuant to which each such party shall guaranty the obligations of the New Subsidiary as a co-borrower under the Credit Agreement.

6.4 Schedules. The Administrative Agent shall have received revised Schedules to the Credit Agreement which Schedules shall be attached hereto. Such Schedules shall be deemed to be incorporated into the Credit Agreement as of the date hereof and each reference in the Credit Agreement to any such Schedule shall be deemed to refer to such Schedule attached hereto on and after the date hereof.

6.5 Security Interests in Personal and Mixed Property. The Administrative Agent shall have received evidence satisfactory to it that the Loan Parties shall have taken or caused to be taken all such actions, executed and delivered or caused to be executed and delivered all such agreements, documents and instruments (other than the stock certificates of the New Subsidiary which are to be delivered in accordance with Section 11 below), and made or caused to be made all such filings and recordings that may be necessary or, in the opinion of the Administrative Agent, desirable in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a valid and (upon such filing and recording) perfected first priority security interest in the entire personal and mixed property Collateral of the New Subsidiary.

6.6 Leases; Collateral Access Agreements. In the case of each leased premises where any Collateral of the New Subsidiary is located, the Administrative Agent shall have received a copy of the lease (and all amendments thereto) between the New Subsidiary and the landlord or bailee party thereto and, to the extent requested by the Administrative Agent, a Collateral Access Agreement with respect thereto duly executed by such landlord or bailee.

6.7 Necessary Governmental Authorizations and Consents. The Loan Parties shall have obtained all permits, licenses, authorizations or consents from all Governmental Authorities and all consents of other Persons with respect to Indebtedness, Liens and agreements listed on Schedule 5.14 (and so identified thereon) annexed hereto, in each case that are necessary or advisable in connection with the USR Acquisition and the other transactions contemplated by this Amendment No. 3, and each of the foregoing shall be in full force and effect, in each case other than those the failure to obtain or maintain which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. All applicable waiting periods in connection with the USR Acquisition shall have expired or been terminated without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the USR Acquisition. No action, request for stay, petition for review or rehearing, reconsideration or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired.

6.8 Consummation of the USR Acquisition.

(a) All conditions precedent to the consummation of the USR Acquisition, including those set forth in the USR Purchase Documents, shall have been satisfied or the fulfillment of any such conditions shall have been waived with the consent of the Administrative Agent;

(b) the USR Acquisition shall have been consummated in accordance with the terms of the USR Purchase Documents;

(c) the Administrative Agent shall have received copies of the USR Purchase Documents and the same shall be satisfactory to the Agent and shall be in full force and effect and shall not have been amended, modified or supplemented except in accordance with the terms hereof;

(d) the Administrative Agent shall have received evidence that all filings and registrations required to be made with the Governmental Authorities in connection with the consummation of the USR Acquisition shall have been submitted and, to the extent applicable, approved, and all waiting periods expired, and shall be effective; and

(e) the Administrative Agent shall have received a certificate of an officer of the Borrower Representative to the effect that the conditions set forth in clauses (a)-(d) above have been satisfied

6.9 Existing USR Debt; Liens. The Administrative Agent shall have received evidence that all principal, interest, and other amounts owing in respect of all outstanding Indebtedness of Predecessor USR or the New Subsidiary (other than Indebtedness permitted to remain outstanding in accordance with Section 7.01 of the Credit Agreement, as amended hereby) have been repaid in full. The Administrative Agent shall have received evidence that, as of the date hereof, neither the assets and properties of Predecessor USR nor the assets or properties of the New Subsidiary are subject to any Liens (other than Liens permitted to remain outstanding in accordance with Section 7.02 of the Credit Agreement, as amended hereby).

6.10 Evidence of Insurance. The Administrative Agent shall have received a certificate from the Loan Parties' insurance broker or other evidence satisfactory to it that all insurance required to be maintained pursuant to Section 6.09 of the Credit Agreement is in full force and effect and covers each of the Loan Parties, including without limitation, the New Subsidiary, and that the Administrative Agent on behalf of the Lenders has been named as additional insured, mortgagee and loss payee thereunder to the extent required under such Section 6.09.

6.11 Legal Opinions. The Administrative Agent shall have received (a) a favorable opinion (addressed to the Administrative Agent and the Lenders and dated the date hereof) of Greenberg Traurig LLP, counsel to the Loan Parties, with respect to the Loan Parties (including without limitation, the New Subsidiary), this Amendment No. 3, the USR Acquisition and the documents to be delivered in connection herewith and therewith and covering such other matters as the Administrative Agent may request, which shall be in form and substance reasonably satisfactory to the Administrative Agent and its counsel, (b) a favorable written opinion (addressed to Predecessor USR) of Greenberg Traurig LLP, counsel to Holdings, SWAC I and the New Subsidiary, with respect to the USR Acquisition, which opinion shall provide that the Administrative Agent and the Lenders shall be entitled to rely thereon and shall be in form and substance reasonably satisfactory to the Administrative Agent and its counsel and (c) a favorable opinion (addressed to Holdings) of Bass, Berry & Sims PLC, counsel to Predecessor USR, with respect to the USR Acquisition, which opinion shall provide that the Administrative Agent and the Lenders shall be entitled to rely thereon and shall be in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

6.12 Officer Certificate Regarding Representations and Absence of Defaults. The Administrative Agent shall have received a certificate, dated the date hereof and signed by a officer of the Borrower Representative, confirming that both before and after giving effect to the USR Acquisition, each of the representations in the Loan Documents is true and correct and no Default or Event of Default exists or would result therefrom.

6.13 Audited Financial Statements of Predecessor USR. The Administrative Agent shall have received audited financial statements of Predecessor USR for each of the two most recent fiscal years, together with interim financial statements of Predecessor USR for the current fiscal year.

6.14 Copies of Material Contracts, etc. To the extent requested by the Administrative Agent, the Administrative Agent shall have received copies of all material contracts, licenses, permits and governmental approvals of Predecessor USR.

6.15 Pro Forma Calculation of Financial Covenants. The Administrative Agent shall have received a certificate prepared by the Loan Parties demonstrating compliance with the financial covenants set forth in the Credit Agreement on a pro forma basis after giving effect to the USR Acquisition, which certificate shall be satisfactory in form and substance to the Administrative Agent.

6.16 Other Documents. The Administrative Agent shall have received duly executed copies of such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Amendment No. 3 or the USR Purchase Documents, each in form and substance acceptable to the Administrative Agent.

6.17 Legal Matters. All legal matters incident to the transactions contemplated hereby or by the USR Purchase Documents shall be satisfactory to counsel for the Administrative Agent.

6.18 Fees and Expenses. The Loan Parties shall have paid all fees and expenses of the Administrative Agent (including the reasonable fees and expenses of its legal counsel) in connection with this Amendment No. 3 and the documents executed in connection herewith and the transactions contemplated herein.

7. Further Assurances. Each of the Loan Parties will, promptly upon the request of the Administrative Agent from time to time, execute, acknowledge, deliver, file and record all such instruments and notices, and take all such other action, as the Administrative Agent deems necessary or advisable to carry out the intent and purposes of this Amendment No. 3 (and the attached acknowledgements and consents) and the documents executed in connection therewith.

8. No Defenses/Release. Each Loan Party warrants and represents to the Administrative Agent and Lenders that such Loan Party has no claims, counterclaims, offsets or defenses to the Loan Documents or the Obligations, or if any such Person does have any claims,

counterclaims, offsets or defenses to the Loan Documents or the Obligations, the same are hereby waived, relinquished and released in consideration of the execution and delivery of this Amendment No. 3 by the Administrative Agent and the Lenders.

9. General. Except as specifically amended hereby or by any of the amendments referred to in Section 6.3 above, all of the terms and provisions of the Credit Agreement, the Guaranty and each of the other Loan Documents and all related documents, shall remain in full force and effect and are hereby ratified and confirmed. This Amendment No. 3 may be executed in any number of counterparts, which together shall constitute one instrument, and shall bind and inure to the benefit of the parties thereto and their respective successors and assigns, including as such successors and assigns, all holders of any Obligation. Delivery of an executed counterpart of a signature page of this Amendment No. 3 by telecopy or in PDF format by electronic mail shall be effective as delivery of a manually executed counterpart of this Amendment No. 3. This Amendment No. 3 shall be governed by and construed in accordance with the laws of the State of New York, including, but not limited to, Section 5-1401 of the New York General Obligations Law.

10. Waiver. The Administrative Agent and the Lenders hereby confirm that the Administrative Agent and the Lenders have not yet declared the Potential Event of Default to be an Event of Default. The Administrative Agent and the Lenders hereby waive the requirement under Section 4 of the Post-Closing Letter that the Borrowers cause the dissolution and liquidation of the German Subsidiary. The parties acknowledge and agree that the foregoing waiver is limited solely to Section 4 of the Post-Closing Letter and do not constitute a waiver of any other presently existing or future Default or Event of Default or a waiver of compliance with any other provision of the Loan Documents for any other purpose or on any other occasion.

11 Post-Closing Matters. The Loan Parties hereby agree that (a) no later than August 15, 2009, the Loan Parties shall deliver to the Administrative Agent foreign qualification certificates as to the New Subsidiary from the Secretary of State of each of Kansas, New York, North Carolina, Pennsylvania, Tennessee and Texas demonstrating that the New Subsidiary is qualified to do business in each such state as a foreign corporation, (b) no later than July 31, 2009, the Loan Parties shall deliver to the Administrative Agent certificates (which certificates shall be accompanied by irrevocable stock powers, undated and duly endorsed in blank and otherwise reasonably satisfactory in form and substance to the Administrative Agent) representing all capital stock and other equity interests of the New Subsidiary being pledged under the Security Agreement, (c) no later than August 15, 2009, the Loan Parties shall deliver to the Administrative Agent Collateral Access Agreements duly executed by the landlord with respect to each of the following locations leased by the New Subsidiary: (i) Suite 112 of Aspen Grove Business Center I, 277 Mallory Station Road, Franklin, Tennessee and (ii) Suite 509 of Aspen Grove Business Center, 416 Mary Lindsay Polk Drive, Franklin, Tennessee, in each case, in form and substance reasonably satisfactory to the Administrative Agent and (d) no later than January 16, 2010, the Loan Parties will close any and all deposit accounts maintained by the New Subsidiary or Predecessor USR with Tennessee Commerce Bank and provide evidence of the closing of such accounts to the Administrative Agent. The Loan Parties acknowledge and agree that any failure of the Loan Parties to comply with any provision of this Section 11 shall, at

the option of the Administrative Agent, constitute an Event of Default under the Credit Agreement.

*[Signature pages follow]*

Each of the undersigned has caused this Amendment No. 3 to be executed and delivered by its duly authorized officer as of the date first above written.

Loan Parties:

**SMITH & WESSON HOLDING CORPORATION**

By: /s/ William F. Spengler  
William F. Spengler  
Executive Vice President, Chief Financial Officer and  
Treasurer

**SMITH & WESSON CORP.**

By: /s/ William F. Spengler  
William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

**THOMPSON/CENTER ARMS COMPANY, INC.**

By: /s/ William F. Spengler  
William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

**THOMPSON CENTER HOLDING CORPORATION**

By: /s/ William F. Spengler  
William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

*[Signatures appear on following pages]*

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**FOX RIDGE OUTFITTERS, INC.**

By: */s/ William F. Spengler*

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William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

**BEAR LAKE HOLDINGS, INC.**

By: */s/ William F. Spengler*

\_\_\_\_\_  
William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

**K.W. THOMPSON TOOL COMPANY, INC.**

By: */s/ William F. Spengler*

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William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

**O.L. DEVELOPMENT, INC.**

By: */s/ William F. Spengler*

\_\_\_\_\_  
William F. Spengler  
Vice President, Chief Financial Officer and Treasurer

**UNIVERSAL SAFETY RESPONSE, INC.**

By: */s/ Matthew A. Gelfand*

\_\_\_\_\_  
Matthew A. Gelfand  
President

*[Signatures appear on following page]*

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Administrative Agent:

**TD BANK, N.A.,**  
as Administrative Agent

By: /s/ Maria P. Goncalves  
Maria P. Goncalves, Senior Vice President

Lender:

**TD BANK, N.A.,** as sole Lender

By: /s/ Maria P. Goncalves  
Maria P. Goncalves, Senior Vice President

**IRREVOCABLE PROXY COUPLED WITH INTEREST**

Reference is made to that certain Agreement and Plan of Merger, dated as of June 18, 2009 (the "Merger Agreement"), among Smith & Wesson Holding Corporation, a Nevada corporation ("S&W"); SWAC-USR I, Inc., a Delaware corporation and wholly owned subsidiary of S&W; SWAC-USR II, Inc., a Delaware corporation and wholly owned subsidiary of S&W; Universal Safety Response, Inc., a New York corporation; and William C. Cohen, Jr., as Stockholders' Representative. Capitalized terms used but not defined in this Irrevocable Proxy Coupled With Interest shall have the meanings assigned to such terms in the Merger Agreement.

Pursuant to the Merger Agreement, the undersigned is acquiring shares of common stock, par value \$0.001 per share, of S&W ("S&W Common Stock") as partial consideration in the Mergers pursuant to the terms of the Merger Agreement.

The undersigned hereby irrevocably designates, constitutes, and appoints S&W and any person designated by S&W to act as a proxy for the stockholders of S&W, as the undersigned's attorney, agent, and proxy, with full power of substitution, to vote, express consent, or otherwise to utilize the voting power with respect to the shares of S&W Common Stock acquired on or after the date hereof by the undersigned as consideration for the Mergers (collectively, the "Shares") in any and all matters, other than in connection with a "Change in Control" as that term is defined in Section 1.1(j)(viii)(A), (C), or (D) of the Merger Agreement, upon which stockholders owning S&W Common Stock are entitled to vote, as if actually present and voting, and with the same force and effect as if voted by the undersigned, at any meeting of the stockholders of S&W (whether annual or special and whether or not adjourned or postponed), in any action by written consent of the stockholders of S&W, or otherwise. With respect to any matter upon which stockholders owning S&W Common Stock are entitled to vote, S&W or any person designated by S&W to act as a proxy for the stockholders of S&W shall vote, express consent, or otherwise utilize the voting power with respect to the Shares in the same proportion as the vote of all stockholders of S&W that are not affiliates, as that term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended ("Affiliates"), of S&W voting on such matter.

The proxy and power of attorney granted hereunder is irrevocable and coupled with an interest and shall be effective until the earlier of (a) the date of the final resolution of the Earn-Out Merger Consideration for 2010 or (b) such time as the undersigned and the undersigned's Affiliates no longer own any Shares (such time, the "Expiration Date"). The proxy and power of attorney granted hereunder shall continue in full force and effect until the Expiration Date, but shall thereupon and thereafter be automatically terminated and of no further or continuing force or effect. For the avoidance of doubt, the proxy and power of attorney granted hereunder shall cease to apply to any Shares that are sold or otherwise transferred by the undersigned to any person or entity other than an Affiliate of the undersigned.

The undersigned hereby ratifies and confirms all that said attorney, agent, or proxy does or causes to be done by virtue hereof and revokes all other proxies and powers of attorney with respect to all or any part of the Shares that may have heretofore been appointed or granted and, unless or until the Expiration Date, no subsequent proxy or power of attorney shall be given (and if given, shall not be effective) by the undersigned for or with respect to all or any part of the Shares.

All authority herein conferred or agreed to be conferred by the undersigned upon S&W or its designees shall be and remain binding upon the undersigned and those respective representatives, successors, and assigns that are Affiliates of the undersigned.

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Dated: July 13, 2009.

**Individual Stockholder:**

/s/ Matthew A. Gelfand  
\_\_\_\_\_  
(Signature)

Print Name: Matthew A. Gelfand

\_\_\_\_\_  
(Signature of Co-Holder, if any)

Print Name: \_\_\_\_\_

Dated: July 7, 2009.

**Individual Stockholder:**

/s/ James C. Herrmann  
\_\_\_\_\_  
(Signature)

Print Name: James C. Herrmann

\_\_\_\_\_  
(Signature of Co-Holder, if any)

Print Name: \_\_\_\_\_

Dated: July 7, 2009.

**Individual Stockholder:**

/s/ Peter J. Nofi  
\_\_\_\_\_  
(Signature)

Print Name: Peter J. Nofi

\_\_\_\_\_  
(Signature of Co-Holder, if any)

Print Name: \_\_\_\_\_

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Dated: July 15, 2009.

**Entity Stockholder:**

The W.C. Cohen, Jr. Revocable  
Trust Dated December 23, 1998  
(name of entity)

By: /s/ William C. Cohen, Jr.  
Name: William C. Cohen, Jr.  
Title: Trustee

Dated: July 8, 2009.

**Entity Stockholder:**

Investcorp Interlachen Multi-Strategy  
Master Fund Limited

By: Interlachen Capital Group LP,  
Authorized Signatory  
(name of entity)

By: /s/ Gregg T. Colburn  
Name: Gregg T. Colburn  
Title: Authorized Signatory

**HOLDINGS/THOMPSON/CENTER ARMS/SMITH & WESSON GUARANTY**

**THIS GUARANTY** (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), dated as of July 20, 2009, is made by and among Smith & Wesson Holding Corporation, a Nevada corporation ("Holdings"), Thompson/Center Arms Company, Inc., a New Hampshire corporation ("TCAC"), Smith & Wesson Corp., a Delaware corporation ("S&W Corp."), and those additional entities that hereafter become guarantors hereunder by executing a joinder agreement substantially in the form of Exhibit A hereto (each a "Guarantor" and collectively the "Guarantors"), and TD Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

Holdings, S & W Corp., and TCAC have entered into a Credit Agreement, dated as of November 30, 2007, with the lenders party from time to time party thereto (the "Lenders"), and the Administrative Agent, as amended by that certain Amendment No. 1 to Credit Agreement and Assignment and Acceptance of Collateral Documents dated as of October 31, 2008, among Holdings, S&W Corp., TCAC, the Lenders and the Administrative Agent, as amended by that certain Amendment No. 2 to Credit Agreement dated as of March 12, 2009, and as further amended this date by that certain Amendment No. 3 to Credit Agreement among Holdings, S&W Corp., TCAC, Universal Safety Response, Inc. ("USR") (Holdings, S&W Corp., TCAC and USR are, each individually, "Borrower", and collectively, "Borrowers"), the Lenders and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used and not defined herein are used with the meanings assigned to such terms in the Credit Agreement.

The Lenders have agreed to make Loans and grant financial accommodations to one or more of the Borrowers, pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. Each Guarantor acknowledges that it has derived and will derive substantial benefit from the making of the Loans by the Lenders to the Borrowers. As consideration therefor and in order to induce the Lenders to make Loans, each Guarantor is willing to execute this Agreement.

Accordingly, the parties hereto agree as follows:

**SECTION 1. *Guarantee.*** Each Guarantor unconditionally guarantees, jointly with any other Guarantor of the several Obligations of USR under the Credit Agreement and other Loan Documents ("USR's Obligations") and severally, as a primary obligor and not merely as a surety, the due and punctual payment of USR's Obligations. Each Guarantor waives notice of, and hereby consents to any agreements or arrangements whatsoever by the Secured Parties with any other Person pertaining to USR's Obligations, including agreements and arrangements for payment, extension, renewal, subordination, composition, arrangement, discharge or release of the whole or any part of USR's Obligations, or for the discharge or surrender of any or all security, or for the compromise, whether by way of acceptance of part payment or otherwise, and, the same shall in no way impair each Guarantor's liability hereunder.

**SECTION 2. *USR's Obligations Not Waived.*** To the fullest extent permitted by applicable law, each Guarantor waives presentment to, demand of payment from and protest to

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USR or any other Person of any of USR's Obligations, and also waives notice of acceptance of its guarantee, notice of protest for nonpayment and all other formalities. To the fullest extent permitted by applicable law, the Guarantee of each Guarantor hereunder shall not be affected by (a) the failure of any Loan Party to assert any claim or demand or to enforce or exercise any right or remedy against USR or any Guarantor under the provisions of the Credit Agreement, any other Loan Document or otherwise; (b) any extension, renewal or increase of or in any of USR's Obligations; (c) any rescission, waiver, amendment or modification of, or any release from, any of the terms or provisions of this Agreement, the Credit Agreement, any other Loan Document, any guarantee or any other agreement or instrument, including with respect to any Guarantor under the Loan Documents; (d) the release of (or the failure to perfect a security interest in) any of the security held by or on behalf of the Administrative Agent or any other Secured Party; or (e) the failure or delay of any Secured Party to exercise any right or remedy against USR or any Guarantor of USR's Obligations.

SECTION 3. *Security.* Each Guarantor authorizes the Administrative Agent to (a) take and hold security for the payment of this Guaranty and USR's Obligations and exchange, enforce, waive and release any such security pursuant to the terms of any other Loan Documents; (b) apply such security and direct the order or manner of sale thereof as it in its sole discretion may determine subject to the terms of any other Loan Documents; and (c) release or substitute any one or more endorsees, other Guarantors or other obligors pursuant to the terms of any other Loan Documents. In no event shall this Section 3 require any Guarantor to grant security, except as required by the terms of the Loan Documents.

SECTION 4. *Guarantee of Payment.* Each Guarantor further agrees that its guarantee constitutes a guarantee of payment when due and not of collection and waives any right to require that any resort be had by the Administrative Agent or any other Secured Party to any of the security held for payment of USR's Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Secured Party in favor of USR or any other Person.

SECTION 5. *No Discharge or Diminishment of Guaranty.* The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of USR's Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of USR's Obligations, and shall not be subject to any defense (other than a defense of payment) or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of USR's Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any other Secured Party to assert any claim or demand or to enforce any remedy under the Credit Agreement, any other Loan Document, any guarantee or any other agreement or instrument, by any amendment, waiver or modification of any provision of the Credit Agreement or any other Loan Document or other agreement or instrument, by any default, failure or delay, willful or otherwise, in the performance of USR's Obligations, or by any other act, omission or delay to do any other act that may or might in any manner or to any extent vary the risk of any Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the

indefeasible payment in full in cash of all USR's Obligations) or which would impair or eliminate any right of any Guarantor to subrogation.

SECTION 6. *Defenses Waived.* To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of the unenforceability of USR's Obligations or any part thereof from any cause or the cessation from any cause of the liability (other than the final and indefeasible payment in full in cash of USR's Obligations) of USR or any other Person. Subject to the terms of the other Loan Documents, the Administrative Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of USR's Obligations, make any other accommodation with USR or any other Guarantor or exercise any other right or remedy available to them against USR or any other Guarantor, without affecting or impairing in any way the liability of each Guarantor hereunder except to the extent USR's Obligations have been fully, finally and indefeasibly paid in cash. Each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of each Guarantor against USR or any other Guarantor or any security.

SECTION 7. *Agreement to Pay; Subordination.* In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Secured Party has at law or in equity against each Guarantor by virtue hereof, upon the failure of USR or any other Loan Party to pay any Secured Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent or such other Secured Party as designated thereby in cash an amount equal to the unpaid principal amount of such Obligations then due, together with accrued and unpaid interest and fees on such Obligations. Upon payment by each Guarantor of any sums to the Administrative Agent or any Secured Party as provided above, all rights of each Guarantor against USR arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all USR's Obligations. In addition, any indebtedness of USR or any Subsidiary now or hereafter held by each Guarantor that is required by the Credit Agreement to be subordinated to USR's Obligations is hereby subordinated in right of payment to the prior payment in full of USR's Obligations. If any amount shall be paid to any Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness at any time when any Secured Obligation then due and owing has not been paid, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of USR's Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

SECTION 8. *General Limitation on Guarantee Obligations.* In any action or proceeding involving any state corporate law, or any state, Federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Agreement would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under this Agreement, then, notwithstanding any other

provision to the contrary, the amount of such liability shall, without any further action by any Guarantor, any creditor or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

SECTION 9. *Information.* Each Guarantor assumes all responsibility for being and keeping itself informed of USR' financial condition and assets, all other circumstances bearing upon the risk of nonpayment of USR's Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs hereunder and agrees that none of the Administrative Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

SECTION 10. *Covenant; Representations and Warranties.* Each Guarantor represents and warrants as to itself that all representations and warranties relating to it contained in the Credit Agreement are true and correct.

SECTION 11. *Termination.* The Guaranties made hereunder shall terminate when (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Real Estate Loan and the Term Loan; and (ii) all other USR's Obligations then due and owing, have in each case been indefeasibly paid in full in cash and the Lenders have no further commitment to lend under the Credit Agreement; *provided* that any such Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment, or any part thereof, on any Secured Obligation is rescinded or must otherwise be restored by any Secured Party upon the bankruptcy or reorganization of USR, the Guarantors or otherwise. Upon such termination and at the written request of any Guarantor or its successors or assigns, and at the cost and expense of such Guarantor or its successors or assigns, the Administrative Agent shall execute in a timely manner a satisfaction of this Guaranty and such instruments, documents or agreements as are necessary or desirable to evidence the termination of this Guaranty.

SECTION 12. *Binding Effect; Several Agreement; Assignments; Releases.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of each Guarantor that are contained in this Agreement shall bind and inure to the benefit of each party hereto and their respective successors and assigns. This Agreement shall become effective as to each Guarantor when a counterpart hereof executed on behalf of each Guarantor shall have been delivered to the Administrative Agent and a counterpart hereof shall have been executed on behalf of the Administrative Agent, and thereafter shall be binding upon each Guarantor and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of each Guarantor, the Administrative Agent and the other Secured Parties, and their respective successors and assigns, except that neither the Borrowers nor the Guarantors shall have the right to assign its rights or obligations hereunder or any interest herein (and any such attempted assignment shall be void) without the prior written consent of the Required Lenders. The Administrative Agent is hereby expressly authorized to, and agrees upon request of the Borrowers it will, release any Guarantor from its obligations hereunder in the event that all

the Equity Interests of such Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement.

SECTION 13. *Waivers; Amendment.* (a) No failure or delay of the Administrative Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent hereunder and of the other Secured Parties under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between USR, the Guarantors and the Administrative Agent (with the consent of the Required Lenders if required under the Credit Agreement).

SECTION 14. *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK INCLUDING, BUT NOT LIMITED TO, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

SECTION 15. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 10.02 of the Credit Agreement. All communications and notices hereunder to each Guarantor shall be given to it at the following address:

Smith & Wesson Holding Corporation  
c/o Smith & Wesson Corp.  
2100 Roosevelt Avenue  
Springfield, MA 01102-2208  
Attention: John A. Kelly, Chief Financial Officer  
Facsimile No: 413-739-8528

with a copy to:  
Greenberg Traurig, LLP  
2375 E. Camelback Road; Suite 700  
Phoenix, AZ 85016  
Attention: Karl A. Freeburg  
Facsimile No.: 602-445-8100

SECTION 16. *Survival of Agreement; Severability.* (a) All covenants, agreements, representations and warranties made by USR and the Guarantors herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any

other Loan Document shall be considered to have been relied upon by the Administrative Agent and the other Secured Parties and shall survive the making by the Lenders of the Loans regardless of any investigation made by the Secured Parties or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any other fee or amount payable under this Agreement or any other Loan Document is outstanding and unpaid or the Commitments have not been terminated.

(b) In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 17. *Counterparts.* This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 12. Delivery of an executed signature page to this Agreement by facsimile transmission or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 18. *Rules of Interpretation.* The rules of interpretation specified in Section 1.01 of the Credit Agreement shall be applicable to this Agreement.

SECTION 19. *Jurisdiction; Consent to Service of Process.* (a) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF SUCH STATE, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (A) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 15 OF THIS AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

**SECTION 20. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 20.**

[Signature Page Follows]

[Signature Page to Holdings/Thompson/Center Arms/Smith & Wesson Guaranty]

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

SMITH & WESSON HOLDING CORPORATION

By: /s/ William F. Spengler

William F. Spengler  
Vice President, Chief Financial Officer and  
Treasurer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ William F. Spengler

William F. Spengler  
Vice President, Chief Financial Officer and  
Treasurer

SMITH & WESSON CORPORATION

By: /s/ William F. Spengler

William F. Spengler  
Vice President, Chief Financial Officer and  
Treasurer

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[Signature Page to Holdings/Thompson/Center Arms Guaranty]

**ADMINISTRATIVE AGENT AND LENDER:**

TD BANK, N.A.

By: /s/ Maria P. Goncalves

Maria P. Goncalves  
Senior Vice President

FOR IMMEDIATE RELEASE

Contacts:

Liz Sharp, VP Investor Relations  
Smith & Wesson Holding Corp.  
(413) 747-3304  
[lsharp@smith-wesson.com](mailto:lsharp@smith-wesson.com)

William F. Spengler, EVP, Chief Financial Officer  
Smith & Wesson Holding Corp.  
(413) 747-3304

**Smith & Wesson Holding Corporation Completes  
Acquisition of Universal Safety Response, Inc.**

SPRINGFIELD, Mass., July 21, 2009 — Smith & Wesson Holding Corporation (NASDAQ Global Select: SWHC), parent company of Smith & Wesson Corp., the legendary 157-year old company in the global business of safety, security, protection and sport, today announced that it has completed its acquisition of Universal Safety Response, Inc. (USR), a privately held, full-service security systems solutions provider.

As noted in a press release of June 18, 2009, the acquisition provides Smith & Wesson entry into the rapidly growing perimeter security market, a move aligned with the company's growth and diversification strategy, and one that expands its revenue base into commercial, non-firearms categories. USR will be operated as a wholly owned subsidiary of Smith & Wesson.

USR is a full-service, uniquely positioned, fast-growing provider of integrated perimeter security solutions. USR is the original creator of the patented GRAB® vehicle safety barrier, which represents the fastest growing barrier technology in the world and is the only active barrier product that meets the Federal Highway Administration's TL-2 safety test, the Department of State's K12 L3 security test, and the Department of Defense ASTM M50 Shallow Mount security test. USR has leveraged the success of its GRAB® barrier systems to become a turnkey perimeter security provider, with a large portfolio of products and services. USR serves a variety of clients in the defense, transportation and petro-chemical industries, as well as airports, Fortune 500 companies and national laboratories.

Michael F. Golden, President & CEO of Smith & Wesson Holding Corporation, said, "I am pleased to announce that Universal Safety Response has now joined the Smith & Wesson family of companies. USR is a highly respected brand name in the industry, and its state-of-the-art, turnkey security systems embody innovation, expertise, and the highest levels of quality. USR is a tremendous compliment to our own Smith & Wesson brand and products, expanding our reach beyond firearms, and into the broader market for products and services that exemplify safety, security and protection. We look forward to building and expanding our businesses across the globe, and we want to thank all of our employees, at Smith & Wesson and at USR, for their continued dedication and our resulting success."

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In the current year, which ends April 30, 2010, the acquisition will be immediately accretive excluding the purchase accounting impact on a per share basis and approximately breakeven per share on a US GAAP basis. The acquisition is expected to be accretive to EPS on a U.S. GAAP basis in future periods.

Avondale Partners LLC served as the financial advisor to USR in the acquisition.

### **Forward-Looking Statements**

This press release includes “forward-looking statements” within the meaning of federal securities laws. Forward-looking statements give Smith & Wesson’s current expectations or forecasts of future events. These forward looking statements include expectations regarding (i) the anticipated benefits to be derived from the acquisition of USR; (ii) the expected financial effect of the acquisition, (iii) the accretive impact of the acquisition, (iv) the effect of the acquisition on customer growth strategy, (v) the ability of the Company’s management to integrate the acquired business in a successful manner, (vi) the market position, market acceptance, demand for, and growth prospects of USR’s products, and (vii) USR’s platform for growth. Smith & Wesson cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the demand for Smith & Wesson’s products, Smith & Wesson’s growth opportunities, the ability of Smith & Wesson to obtain operational enhancements, the ability of Smith & Wesson to increase its production capacity, the ability of Smith & Wesson to engage additional key employees, and other risks detailed from time to time in Smith & Wesson’s reports filed with the SEC, including its Form 10-K Report for the fiscal year ended April 30, 2009.

Smith & Wesson assumes no obligation to update publicly such forward-looking statements, whether as a result of new information, future events or otherwise.

### **About Smith & Wesson**

Smith & Wesson Holding Corporation, a global leader in safety, security, protection and sport, is parent company to Smith & Wesson Corp., one of the world’s largest manufacturers of quality firearms and firearm safety/security products and parent company to Thompson/Center Arms, Inc., a premier designer and manufacturer of premium hunting rifles, black powder rifles, interchangeable firearm systems and accessories under the Thompson/Center brand. Smith & Wesson licenses shooter protection, knives, apparel, and other accessory lines. Smith & Wesson is based in Springfield, Massachusetts with manufacturing facilities in Springfield, Massachusetts; Houlton, Maine; and Rochester, New Hampshire. The Smith & Wesson Academy is America’s longest running firearms training facility for law enforcement, military and security professionals. For more information on Smith & Wesson, call (800) 331-0852 or log on to [www.smith-wesson.com](http://www.smith-wesson.com). For more information on Thompson/Center Arms, log on to [www.tcarms.com](http://www.tcarms.com).

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## **About Universal Safety Response**

Based in Franklin, Tennessee, USR is a full-service perimeter security integrator, barrier manufacturer and installer. Founded in 1994, USR is the original creator of GRAB®, which has become the fastest growing barrier technology in the world. USR serves a variety of clients in the defense, transportation and petrol-chemical industries, as well as corporate facilities, airports, Fortune 500 companies, and national laboratories. For more information on Universal Safety Response, log on to [www.usrgrab.com](http://www.usrgrab.com).