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

# FORM 10-Q

**(Mark one)**

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

**For the quarterly period ended November 30, 2015**

**OR**

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

**For the transition period from to**

**Commission File Number 1-36506**

# PERFORMANCE SPORTS GROUP LTD.

**(Exact name of registrant as specified in its charter)**

| **British Columbia, Canada** | **Not applicable.** |
|---|---|
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(IRS Employer Identification No.)** |
| **100 Domain Drive Exeter, New Hampshire** | **03833-4801** |
| **(Address of Principal Executive Offices)** | **(Zip Code)** |

**Registrant's Telephone Number, Including Area Code: (603) 610-5802**

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

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

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

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

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

As of the close of business on January 12, 2016, there were 45,566,680 shares of the registrant's Common Stock outstanding.

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**PERFORMANCE SPORTS GROUP LTD.**
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**
**(In thousands, except share data)**

| | November 30, 2015 | May 31, 2015 |
|---|---|---|
| ASSETS | | |
| Cash | $ 6,595 | $ 2,932 |
| Restricted cash | 4,000 | — |
| Trade and other receivables, net of allowance for doubtful accounts of $6,715 and $2,038, respectively | 228,223 | 199,375 |
| Inventories, net | 156,979 | 174,546 |
| Income taxes receivable | 9,817 | 7,393 |
| Deferred income taxes | 15,283 | 15,465 |
| Prepaid expenses and other current assets | 6,648 | 4,985 |
| Total current assets | 427,545 | 404,696 |
| | | |
| Property, plant and equipment, net of accumulated depreciation of $23,550 and $19,337, respectively | 65,615 | 47,051 |
| Goodwill | 102,726 | 102,755 |
| Intangible assets, net | 277,347 | 276,754 |
| Deferred income taxes | 3,188 | 8,150 |
| Other non-current assets | 11,461 | 5,511 |
| TOTAL ASSETS | $ 887,882 | $ 844,917 |
| | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Short-term debt | $ 129,926 | $ 90,550 |
| Accounts payable | 44,131 | 41,518 |
| Accrued liabilities | 48,368 | 45,756 |
| Current portion of retirement benefit obligations | 302 | 320 |
| Current portion of financing and capital lease obligations | 186 | 179 |
| Total current liabilities | 222,913 | 178,323 |
| | | |
| Long-term debt | 322,017 | 320,271 |
| Retirement benefit obligation | 4,721 | 5,057 |
| Financing and capital lease obligations | 25,752 | 14,406 |
| Deferred income taxes | 14,321 | 14,741 |
| Other non-current liabilities | 649 | 358 |
| TOTAL LIABILITIES | 590,373 | 533,156 |
| | | |
| STOCKHOLDERS' EQUITY | | |
| Common stock, no par value; unlimited shares authorized; 45,566,680, and 45,552,180 shares issued and outstanding at November 30, 2015 and May 31, 2015, respectively | 273,382 | 273,332 |
| Additional paid-in capital | 2,800 | 5,385 |
| Retained earnings | 47,167 | 56,022 |
| Accumulated other comprehensive loss | (25,840) | (22,978) |
| TOTAL STOCKHOLDERS' EQUITY | 297,509 | 311,761 |
| TOTAL LIABILITIES & STOCKHOLDERS' EQUITY | $ 887,882 | $ 844,917 |

See accompanying notes to consolidated financial statements.

**PERFORMANCE SPORTS GROUP LTD.**
**CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)**
**(In thousands, except share and per share data)**

| | Three months ended November 30, | | Six months ended November 30, | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Revenues | $ 153,030 | $ 172,254 | $ 328,076 | $ 369,389 |
| Cost of goods sold | 107,347 | 116,321 | 229,692 | 249,520 |
| Gross profit | 45,683 | 55,933 | 98,384 | 119,869 |
| Selling, general and administrative expenses | 39,509 | 39,138 | 79,640 | 74,951 |
| Research and development expenses | 5,912 | 6,412 | 12,145 | 12,534 |
| Operating income | 262 | 10,383 | 6,599 | 32,384 |
| Interest expense, net | 5,452 | 4,785 | 10,282 | 10,192 |
| Realized gain on derivatives | (1,378) | (1,271) | (1,237) | (3,447) |
| Unrealized (gain) loss on derivatives | 682 | (563) | (1,365) | 939 |
| Foreign exchange loss | 1,214 | 5,086 | 8,313 | 7,098 |
| Other expenses (income) | (83) | 77 | (34) | 89 |
| Income (loss) before income taxes | (5,625) | 2,269 | (9,360) | 17,513 |
| Income tax expense (benefit) | (1,122) | 1,238 | (505) | 5,735 |
| Net income (loss) | $ (4,503) | $ 1,031 | $ (8,855) | $ 11,778 |
| | | | | |
| Earnings (loss) per share: | | | | |
| Basic | $ (0.10) | $ 0.02 | $ (0.19) | $ 0.27 |
| Diluted | $ (0.10) | $ 0.02 | $ (0.19) | $ 0.26 |
| Weighted-average shares outstanding: | | | | |
| Basic | 45,556,790 | 44,204,438 | 45,554,483 | 42,999,000 |
| Diluted | 45,556,790 | 46,659,728 | 45,554,483 | 45,460,620 |

See accompanying notes to consolidated financial statements.

**PERFORMANCE SPORTS GROUP LTD.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**
**(In thousands)**

| | Three months ended November 30, | | Six months ended November 30, | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Net income (loss) | $ (4,503) | $ 1,031 | $ (8,855) | $ 11,778 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustments | (444) | (3,602) | (2,955) | (2,957) |
| Defined benefit pension plans, net of tax: | | | | |
| Actuarial gains, net of tax | 9 | 30 | 93 | 31 |
| Reclassification adjustments included in net income (loss), net of tax | — | 5 | — | 10 |
| Other comprehensive loss | (435) | (3,567) | (2,862) | (2,916) |
| Comprehensive income (loss) | $ (4,938) | $ (2,536) | $ (11,717) | $ 8,862 |

See accompanying notes to consolidated financial statements.

**PERFORMANCE SPORTS GROUP LTD.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**
**(In thousands)**

| | Six months ended November 30, | |
|---|---|---|
| | **2015** | **2014** |
| OPERATING ACTIVITIES | | |
| Net income (loss) | $ (8,855) | $ 11,778 |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Share-based payment expense | 2,434 | 3,277 |
| Depreciation and amortization | 12,019 | 11,856 |
| Unrealized (gain) loss from derivatives | (1,365) | 939 |
| Deferred income taxes | 448 | 3,582 |
| Bad debt expense | 5,251 | 809 |
| Loss on disposal of assets | 229 | 26 |
| Changes in operating assets and liabilities excluding the effect of acquisitions: | | |
| Trade and other receivables | (41,189) | (50,871) |
| Inventories | 13,060 | (8) |
| Prepaid expenses and other assets | (3,587) | (3,982) |
| Trade and other payables | (301) | 6,115 |
| Accrued and other liabilities | 10,732 | 12,255 |
| Net cash used in operating activities | (11,124) | (4,224) |
| | | |
| INVESTING ACTIVITIES | | |
| Acquisition of businesses, net of cash acquired | — | 732 |
| Increase in restricted cash | (4,000) | — |
| Purchase of equity securities | (6,000) | — |
| Purchase of property, plant and equipment and intangible assets | (15,397) | (4,894) |
| Net cash used in investing activities | (25,397) | (4,162) |
| | | |
| FINANCING ACTIVITIES | | |
| Repayment of debt | — | (119,587) |
| Net movement in revolving debt | 40,495 | 17,644 |
| Payments on financing obligations | (71) | (146) |
| Proceeds from issuance of common stock | — | 126,500 |
| Common stock issuance costs | — | (9,526) |
| Proceeds from stock options exercises | 38 | — |
| Excess tax benefits from share-based compensation | — | 1,581 |
| Payment of taxes upon net stock option exercise | — | (409) |
| Net cash provided by financing activities | 40,462 | 16,057 |
| Effect of exchange rate changes on cash | (278) | (314) |
| Net increase in cash | 3,663 | 7,357 |
| Cash at beginning of period | 2,932 | 6,871 |
| Cash at end of period | $ 6,595 | $ 14,228 |
| | | |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period for: | | |
| Interest | $ 8,615 | $ 8,446 |
| Income taxes | 2,243 | 7,389 |
| Non-cash investing and financing activities | | |
| Capitalization of costs related to financing lease obligation | 12,008 | 6,668 |
| Capitalization of intangible assets | 6,150 | — |

See accompanying notes to consolidated financial statements.

## 1. BASIS OF PRESENTATION AND ORGANIZATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures required to be included in complete financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted from this report, as is permitted by such SEC rules and regulations. In the opinion of management, the accompanying unaudited consolidated financial statements contain all normal and recurring adjustments necessary to fairly present the consolidated financial position of Performance Sports Group Ltd. and its wholly owned subsidiaries ("PSG", the "Company", "We" or "Our"), results of operations and cash flows of the Company for the interim periods presented in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Results for interim periods are not necessarily indicative of results to be expected for a full fiscal year.

These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes thereto included in the Company's Annual Report on Form 10-K for the year ended May 31, 2015. The consolidated balance sheet as at May 31, 2015 included herein is derived from the Company's annual audited consolidated financial statements included in the Annual Report on Form 10-K for the year ended May 31, 2015.

## 2. SIGNIFICANT ACCOUNTING POLICIES

There have been no changes to the Company's significant accounting policies except as otherwise described in the Company's Annual Report on Form 10-K for the year ended May 31, 2015.

***Recent Accounting Pronouncements:***

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-17, *Balance Sheet Classification of Deferred Taxes*, which eliminates the current requirement for companies to present deferred tax liabilities and assets as current and non-current in a classified balance sheet. Instead, companies will be required to classify all deferred tax assets and liabilities as non-current. This ASU is effective for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. Early adoption is permitted. The Company is currently evaluating the impact this accounting standard will have on the Company's consolidated financial statements.

In August 2015, the FASB issued ASU No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line of Credit Arrangements*. This ASU indicates that the guidance in ASU 2015-03 did not address presentation or subsequent measurement of debt issuance costs related to line of credit arrangements. Given the absence of authoritative guidance within ASU 2015-03, the SEC staff has indicated that they would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the costs ratably over the term of the line of credit arrangement, regardless of whether there are any outstanding borrowings on the line of credit arrangement. The Company does not expect the adoption of ASU 2015-15 to have any effect on the Company's financial position or results of operations.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory*. This ASU changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation when cost is determined on a first-in, first-out or average cost basis. The provisions of ASU 2015-11 are effective for public entities with fiscal years beginning after December 15, 2016. The Company is currently evaluating the impact this accounting standard will have on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers: Topic 606*. This ASU outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. In July 2015, the FASB announced a one-year deferral of the effective date of the new revenue recognition standard. This accounting standard is now effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Early adoption is permitted on the originally scheduled effective date. The Company is currently evaluating the impact this accounting standard will have on the Company's consolidated financial statements.

**3. SEASONALITY**

Each of our sports demonstrates substantial seasonality. The spring/summer season of baseball and softball is complementary to the fall/winter season of hockey, and our quarterly sources of revenue and profitability are more balanced throughout our fiscal year as a result. The more evenly distributed seasonality of the combined business provides more consistent working capital levels and allows us to improve our efficiency in our manufacturing, distribution and other efforts.

Generally, our highest sales volumes for hockey occur during the first fiscal quarter of our fiscal year, followed by the next highest sales volumes in the second fiscal quarter of our fiscal year. Our lowest sales volumes for hockey occur during the third fiscal quarter of our fiscal year. Launch timing of our products add some variations between fiscal quarters each fiscal year.

In baseball/softball, our highest sales volumes occur in the third fiscal quarter of our fiscal year and the lowest sales volumes occur in the first fiscal quarter of our fiscal year. In lacrosse, our highest sales volumes occur in the second and third fiscal quarters of our fiscal year.

The shipment of soccer products occurs substantially in the first and fourth fiscal quarters of our fiscal year. We expect our team apparel revenues, including uniforms for ice hockey, roller hockey, lacrosse and other team sports, to align with the underlying sports' selling seasons as we expand our team apparel offering.

**4. TRADE AND OTHER RECEIVABLES, NET**

The Company recorded bad debt expense of $3,343 and $3,428 in the three and six months ended November 30, 2015, respectively, related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization.

**5. INTANGIBLE ASSETS, NET**

Intangible assets, net consisted of the following:

| | November 30, 2015 | | | May 31, 2015 | | |
|---|---|---|---|---|---|---|
| | Gross Amount | Accumulated Amortization | Carrying Value | Gross Amount | Accumulated Amortization | Carrying Value |
| Trade names and trademarks | $ 196,900 | $ — | $ 196,900 | $ 199,481 | $ — | $ 199,481 |
| Purchased technology | 28,343 | (8,263) | 20,080 | 21,413 | (7,135) | 14,278 |
| Customer relationships | 86,334 | (28,007) | 58,327 | 86,513 | (23,518) | 62,995 |
| Leases | 2,150 | (110) | 2,040 | — | — | — |
| Total | $ 313,727 | $ (36,380) | $ 277,347 | $ 307,407 | $ (30,653) | $ 276,754 |

In October 2015, the Company acquired certain licensing rights in technology assets on an exclusive and perpetual basis for the amount of $7,000 from Q30 Sports, LLC, a privately held entity. Q30 Sports, LLC and its parent company, Q30 Sports Science, LLC, have acquired and developed, and are currently testing, proprietary technology that has the potential to reduce indicators of mild traumatic brain injury. The Company paid $3,000 in cash on October 15, 2015, and the balance of $4,000 was paid on January 4, 2016. The Company maintained restricted cash balances of $4,000 through January 4, 2016 at which time, the amount decreased to $2,000. Future licensing payments of up to $18,000 are conditional upon the achievement of certain product development and sales milestones. In addition, the Company purchased a $1,000 non-controlling interest in Q30 Sports Science, LLC, also a privately held entity. Refer to Note 6 - Other Non-Current Assets for details on the Company's investment in Q30 Sports Science, LLC.

**6. OTHER NON-CURRENT ASSETS**

In September 2015, the Company purchased a non-controlling interest in Cocona, Inc., a privately held entity that created and owns 37.5™ technology, a patented moisture management technology that utilizes body heat to evaporate moisture from apparel and equipment. Bauer Hockey launched at retail its base layer, team apparel and elite protective equipment incorporating 37.5™ technology in spring 2014. The use of 37.5™ technology is exclusive to PSG in hockey, baseball/softball (excluding MLB-licensed apparel), lacrosse, and non-exclusive to the Company in soccer through 2020. The amount of the investment totaled $5,000. Contemporaneous with the investment, Cocona, Inc. and the Company entered into a new license agreement that, among other things, removed the obligation for the Company and its affiliates to pay exclusivity fees (under the former license these fees could potentially have exceeded over $5,000 through 2020).

In October 2015, the Company purchased a $1,000 non-controlling interest in Q30 Sports Science, LLC, a privately held entity. Refer to Note 5 - Intangible Assets, Net for a description of Q30 Sports Science, LLC.

These investments are accounted for at cost. The Company regularly monitors these investments to determine if facts and circumstances have changed in a manner that would require a change in accounting methodology. Additionally, the Company regularly evaluates whether or not these investments have been impaired by considering such factors as economic environment, market conditions, operational performance and other specific factors relating to the businesses underlying the investments. If any such impairment is identified, a reduction in the carrying value of the investments would be recorded at that time.

**7. DEBT**

The total debt outstanding is comprised of:

| | November 30, 2015 | May 31, 2015 |
|---|---|---|
| Asset-based revolving loan | $ 132,112 | $ 92,878 |
| Term loan due 2021 | 330,457 | 330,457 |
| Financing costs | (10,626) | (12,514) |
| Total debt | $ 451,943 | $ 410,821 |
| | | |
| Current | $ 129,926 | $ 90,550 |
| Non-current | 322,017 | 320,271 |
| Total debt | $ 451,943 | $ 410,821 |

**8. RESTRUCTURING COSTS**

In November 2015, the Company announced to the employees of its distribution facility (the "Distribution Facility") in Mississauga, Ontario, its intention to discontinue distribution operations at the Distribution Facility in February 2016. As a result, 59 employees are expected to be terminated between January and February 2016. The Distribution Facility is being closed in an effort to better align the Company's distribution activities with its overall business needs while enabling the Company to better serve its customers and is part of a cost reduction initiative.

The Company currently expects to incur estimated pre-tax expenses of $3,800 in connection with the discontinuation of distribution activities at the Distribution Facility. These expenses include the following major components: (i) estimated employee-related costs (including severance) of $3,000 and (ii) estimated other related costs of $800.

The restructuring liability, which is recorded in accrued liabilities on the consolidated balance sheet, is summarized as follows:

| | Severance and other employee-related costs | Other Costs | Total |
|---|---|---|---|
| Balance as of May 31, 2015 | $ — | $ — | $ — |
| Charges | 1,700 | 24 | 1,724 |
| Payments | — | (24) | (24) |
| Foreign currency and other | (29) | — | (29) |
| Balance at November 30, 2015 | $ 1,671 | $ — | $ 1,671 |

The Company recognized restructuring costs of $1,724 in the three and six months ended November 30, 2015, which are included in cost of goods sold.

**9. INCOME TAXES**

Income tax expense (benefit) is recognized based on management's best estimate of the annual effective income tax rate expected for the full fiscal year applied to income (loss) before income taxes of the interim period. The Company's effective tax rate ("ETR") for the three and six months ended November 30, 2015 was 19.5% (2014 - 54.6%) and 5.4% (2014 - 32.7%), respectively. The

decrease in the three and six-month periods' ETR was due in part to the relative mix of pre-tax income (loss) between Canada and the U.S. (the Company's primary tax jurisdictions). Unrealized capital losses for which no tax benefit could be recognized reduced the ETR for the current year three and six month periods, and increased the ETR for the comparable prior year periods.

**10. STOCKHOLDERS' EQUITY**

On June 25, 2014, the Company completed its underwritten public offering in the United States and Canada (the "Offering") of 8,161,291 Common Shares at a price to the public of $15.50 per share, for total gross proceeds of approximately $126,500, including the exercise in full of the over-allotment option. The Company used the net proceeds of the Offering to repay $119,500 of the New Term Loan Facility. The Company incurred $244 and $9,526 in common stock issuance costs in the three and six months ended November 30, 2014, respectively. These costs are recorded in common stock in the consolidated balance sheets.

**11. SHARE-BASED COMPENSATION**

The Company recognized share-based compensation expense as follows:

| | Three Months Ended November 30, | | Six Months Ended November 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Share-based compensation for employee awards | $ 1,078 | $ 1,425 | $ 2,049 | $ 2,949 |
| Share-based compensation for non-employee awards | 293 | 176 | 385 | 328 |
| Total share-based compensation | $ 1,371 | $ 1,601 | $ 2,434 | $ 3,277 |

*Omnibus Equity Incentive Plan*

The Omnibus Equity Incentive Plan was adopted by the Board of Directors on August 11, 2015 and approved by the shareholders of the Company on October 14, 2015 at the Company's annual and special meeting of shareholders. The Omnibus Equity Incentive Plan provides for the grant of nonqualified stock options, incentive stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), deferred stock units, other stock-based awards, and performance compensation awards. The total number of Common Shares reserved for issuance under the Omnibus Equity Incentive Plan is 3,000,000 Common Shares. At November 30, 2015, the maximum number of Common Shares available for future issuance under the Omnibus Equity Incentive Plan was 1,399,389.

The Company grants awards under the Omnibus Equity Incentive Plan to employees, nonemployees, and directors of the Company or its affiliates. Employee service-based awards have a contractual life of 10 years and typically vest over a period of 4 years from grant-date. Nonemployee service-based awards have a contractual life of 10 years and typically vest over a period of up to 6 years. Director service-based awards fully vest on the applicable date of grant and the Company settles the awards following the director's separation from service with the Company in accordance with the Omnibus Equity Incentive Plan and pursuant to the terms and conditions of the applicable grant agreement.

Under the terms of the Omnibus Equity Incentive Plan, each eligible director (''Eligible Directors'') may elect to receive up to 100% of the cash portion of such director's compensation in the form of deferred share units ("DSUs"). If the Eligible Director elects to receive all or a portion of such director's cash compensation in DSUs, such election is fixed for the ensuing fiscal year. In addition, Eligible Directors receive the equity portion of their compensation in the form of DSU's. The number of Common Shares awarded to satisfy that liability is variable based on the value of the Common Shares at the time of settlement of the liability. The DSUs are therefore classified as liability awards.

The assumptions used for options granted to acquire Common Shares and the fair value at the date of grant is noted in the following table:

| | Three Months Ended November 30, 2015 | Six Months Ended November 30, 2015 |
|---|---|---|
| Weighted average expected term (in years) | 6.7 | 6.7 |
| Weighted average expected volatility | 30.22% | 30.22% |
| Weighted average risk-free interest rate | 1.75% | 1.75% |
| Expected dividend yield | —% | —% |
| Weighted average fair value per option granted | $4.20 | $4.20 |

Information concerning options activity under the Omnibus Equity Incentive Plan for options to acquire Common Shares is summarized as follows:

| | Six Months Ended November 30, 2015 | |
|---|---|---|
| | Number of Options | Weighted-Average Exercise Price |
| Outstanding, beginning of period | — | $ — |
| Granted | 1,293,178 | 12.45 |
| Outstanding, end of period | 1,293,178 | $ 12.45 |
| Options exercisable, end of period | — | $ — |

Information concerning RSUs activity under the Omnibus Equity Incentive Plan is summarized as follows:

| | Six Months Ended November 30, 2015 | |
|---|---|---|
| | Number of RSUs | Weighted-Average Grant Date Fair Value |
| Outstanding, beginning of period | — | $ — |
| Granted | 307,433 | 12.33 |
| Outstanding, end of period | 307,433 | $ 12.33 |
| Vested, end of period | — | $ — |

*Second Amended and Restated 2011 Plan ("2011 Plan")*

In connection with the adoption of the Omnibus Equity Incentive Plan, no further options will be granted under the 2011 Plan. The 2011 Plan will continue to govern options previously granted under the plan.

*Deferred Share Unit Plan ("DSU Plan")*

In connection with the adoption of the Omnibus Equity Incentive Plan, no further DSUs will be granted under the DSU Plan. The DSU Plan will continue to govern DSUs previously granted under the DSU Plan.

**12. EARNINGS PER SHARE**

The following is a reconciliation from basic earnings per common share to diluted earnings per common share:

| | Three Months Ended November 30, | | Six Months Ended November 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Net income (loss) | $ (4,503) | $ 1,031 | $ (8,855) | $ 11,778 |
| Weighted average common shares outstanding, assuming conversion of proportionate voting shares - Basic | 45,556,790 | 44,204,438 | 45,554,483 | 42,999,000 |
| Assumed conversion of dilutive stock options and awards | — | 2,455,290 | — | 2,461,620 |
| Diluted weighted average common shares outstanding | 45,556,790 | 46,659,728 | 45,554,483 | 45,460,620 |
| Basic earnings (loss) per common share | $ (0.10) | $ 0.02 | $ (0.19) | $ 0.27 |
| Diluted earnings (loss) per common share | $ (0.10) | $ 0.02 | $ (0.19) | $ 0.26 |
| | | | | |
| Anti-dilutive stock options and awards excluded from diluted earnings (loss) per share calculation | 1,353,939 | 64,306 | 1,556,341 | 83,645 |

## 13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in accumulated other comprehensive income (loss), net of taxes, are as follows:

| | Foreign currency translation | Defined benefit pension plans | Total |
|---|---|---|---|
| Balance as of May 31, 2014 | $ (13,765) | $ (934) | $ (14,699) |
| Other comprehensive income (loss) before reclassifications | (2,957) | 31 | (2,926) |
| Amounts reclassified from accumulated other comprehensive loss to net income | — | 10 | 10 |
| Balance at November 30, 2014 | $ (16,722) | $ (893) | $ (17,615) |
| | | | |
| Balance as of May 31, 2015 | $ (21,956) | $ (1,022) | $ (22,978) |
| Other comprehensive income (loss) before reclassifications | (2,955) | 93 | (2,862) |
| Balance at November 30, 2015 | $ (24,911) | $ (929) | $ (25,840) |

## 14. SEGMENT INFORMATION

The Company has two reportable operating segments, Hockey and Baseball/Softball. The remaining operating segments do not meet the criteria for a reportable segment and are included in Other Sports. The Hockey segment includes the Bauer and Mission brands. The Baseball/Softball segment includes the Easton and Combat brands. Other Sports includes the Lacrosse and Soccer operating segments, which includes the Maverik and Cascade brands for Lacrosse, and the Inaria brand for Soccer.

These operating segments were determined based on the management structure and the financial information, among other factors, reviewed by the Chief Operating Decision Maker ("CODM") to assess segment performance. Operating segment profit is evaluated using EBITDA adjusted for items excluded by the CODM, which is not a measure defined by U.S. GAAP, and is reviewed by the CODM. Certain PSG functional platform costs are directly allocated to each operating segment based on usage or other relevant operational metrics. PSG's functional platform costs consist of expenses incurred by centrally-managed functions, including global information systems, finance and legal, distribution and logistics, sourcing and manufacturing, and other miscellaneous costs.

PSG corporate expenses, currency related gains (losses), acquisition related expenses and other costs are not controlled by the management at each operating segment and therefore are excluded from segment EBITDA. PSG corporate expenses consist of executive compensation and administration costs, public company costs, certain tax credits and other miscellaneous costs. Currency related gains (losses) consists of foreign exchange gains (losses) and the unrealized gain (loss) on derivative instruments. The realized gain (loss) on derivative instruments is included in the EBITDA of the Hockey operating segment because it currently relates specifically to Hockey cost of goods sold. Acquisition related expenses consist of charges to cost of goods sold resulting from the fair market value adjustment to inventory, integration costs, costs related to reviewing corporate opportunities, and transaction costs. Other costs consist of share-based payment expenses and items that the CODM excludes from segment EBITDA, including, for example, items that are infrequent in nature such as costs related to share offerings.

Segment revenue information is summarized as follows:

| | Three Months Ended November 30, | | Six Months Ended November 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Hockey | $ 91,881 | $ 113,384 | $ 229,427 | $ 273,798 |
| Baseball/Softball | 50,941 | 49,233 | 83,060 | 81,585 |
| Other Sports | 10,208 | 9,637 | 15,589 | 14,006 |
| Total revenues | $ 153,030 | $ 172,254 | $ 328,076 | $ 369,389 |

Segment EBITDA information is summarized as follows:

| | Three Months Ended November 30, | | Six Months Ended November 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Hockey | $ 7,327 | $ 12,917 | $ 26,528 | $ 51,894 |
| Baseball/Softball | 7,886 | 11,474 | 9,077 | 15,198 |
| Other Sports | 977 | 1,514 | 30 | 117 |
| Total segment EBITDA [1] | $ 16,190 | $ 25,905 | $ 35,635 | $ 67,209 |

(1) Represents a non-GAAP financial measure.

The reconciliation of total segment EBITDA to income before income taxes is summarized as follows:

| | Three Months Ended November 30, | | Six Months Ended November 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Total segment EBITDA | $ 16,190 | $ 25,905 | $ 35,635 | $ 67,209 |
| Corporate expenses | (896) | (1,877) | (3,642) | (3,338) |
| Acquisition related expenses | (4,559) | (2,863) | (9,140) | (11,632) |
| Depreciation and amortization | (5,664) | (5,367) | (10,850) | (10,567) |
| Interest expense, net | (5,452) | (4,785) | (10,282) | (10,192) |
| Currency related losses | (1,896) | (4,523) | (6,948) | (8,037) |
| Other[1] | (3,348) | (4,221) | (4,133) | (5,930) |
| Income (loss) before income taxes | $ (5,625) | $ 2,269 | $ (9,360) | $ 17,513 |

(1) Other consists of share-based payments expense and items that the CODM excludes from segment EBITDA.

**15. DERIVATIVES & RISK MANAGEMENT**

The following table summarizes the fair value of derivative instruments by contract type as well as the location of the asset and/or liability on the consolidated balance sheets at November 30, 2015 and May 31, 2015:

| | Balance Sheet Location | November 30, 2015 | May 31, 2015 |
|---|---|---|---|
| Assets: | | | |
| Foreign currency forward contracts | Prepaid and other current assets | $ 1,640 | $ 697 |
| Foreign currency forward contracts | Other non-current assets | 150 | 54 |
| | | | |
| Liabilities: | | | |
| Foreign currency forward contracts | Accrued liabilities | 18 | 141 |
| Variable cash settlement | Accrued liabilities | 187 | — |
| Foreign currency forward contracts | Other non-current liabilities | 16 | — |
| Variable cash settlement | Other non-current liabilities | — | 20 |

The following table summarizes the location of gains and losses on the consolidated statements of income that were recognized during the three and six months ended November 30, 2015 in addition to the derivative contract type:

| Derivatives not designated as hedging instruments | Location of (gain) loss recognized in income on derivative instruments | Three Months Ended November 30, 2015 | Three Months Ended November 30, 2014 | Six Months Ended November 30, 2015 | Six Months Ended November 30, 2014 |
|---|---|---|---|---|---|
| Foreign currency forward contracts | Realized (gain) loss on derivatives | $ (1,378) | $ (1,271) | $ (1,237) | $ (3,447) |
| Foreign currency forward contracts | Unrealized (gain) loss on derivatives | 682 | (563) | (1,365) | 939 |
| Variable cash settlement | Selling, general and administrative expenses | 63 | (68) | 175 | (237) |

**16. FAIR VALUE MEASURES**

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of November 30, 2015 and May 31, 2015 and indicate the level of the fair value hierarchy utilized by the Company to determine such fair value:

| | Fair Value Measurements as of November 30, 2015 Using: | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Assets: | | | |
| Foreign currency forward contracts | $ — | $ 1,790 | $ — |
| Liabilities: | | | |
| Foreign currency forward contracts | | $ 34 | |
| Variable cash settlement | $ — | $ 187 | $ — |

| | Fair Value Measurements as of May 31, 2015 Using: | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| Assets: | | | |
| Foreign currency forward contracts | $ — | $ 751 | $ — |
| Liabilities: | | | |
| Foreign currency forward contracts | | $ 141 | |
| Variable cash settlement | $ — | $ 20 | $ — |

**17. COMMITMENTS AND CONTINGENCIES**

In July 2015, the Company entered into a lease agreement as a second tenant of a property in Thousand Oaks, California (the "Thousand Oaks property") for a lease term of 125 months. Per the terms of the lease agreement and due to the Company's involvement in the restoration of the facility, the Company was determined to be the owner of the facility during the construction period and recognized an asset and liability in the amount of $12,008. Upon completion of the restoration of the Thousand Oaks property, the Company will assess whether the lease qualifies for sales recognition under the sale-leaseback accounting guidance. The Company currently expects that the lease for the Thousand Oaks property will qualify for sales recognition under the sale-leaseback accounting guidance and, if that is the case, will remove the asset and liability from its consolidated balance sheet.

The Company acquired Kohlberg Sports Group Inc. ("KSGI") on March 10, 2011. In connection with the acquisition of Bauer Hockey by KSGI in April 2008, a subsidiary of KSGI agreed to pay additional consideration to Nike, Inc. in future periods, based upon the attainment of a qualifying exit event. At August 31, 2015, the maximum potential future consideration pursuant to such arrangements, to be resolved on or before April 16, 2016, such date being the eighth anniversary of April 16, 2008, is $10,000. On April 16, 2008, all of the security holders of KSGI (collectively, the "Existing Holders") entered into a reimbursement agreement with the Company pursuant to which each of the Existing Holders agreed to reimburse the Company, on a *pro rata* basis, in the event that the Company or any of its subsidiaries are obligated to make a payment to Nike, Inc. As of November 30, 2015, the Company determined that no such qualifying exit event has occurred. The Company will continue to assess the probability of a qualifying exit event through the eighth anniversary date.

The Company previously entered into employment agreements with the former owners of Inaria in connection with the closing of the acquisition of Inaria. Included in the employment agreements are yearly performance bonuses payable in the event Inaria achieves gross profit targets in the period one to four years following the closing date, such date being October 16, 2012. These amounts, if any, will be accrued over the required service period. As of November 30, 2015, the potential undiscounted amount of the future payments that the Company could be required to make is between $0 and $900 Canadian dollars.

In the ordinary course of its business, the Company is involved in various legal proceedings involving contractual and employment relationships, product liability claims, trademark rights, and a variety of other matters. The Company does not believe there are any pending legal proceedings that will have a material impact on the Company's consolidated balance sheets or consolidated statements of income.

**18. SUBSEQUENT EVENTS**

On January 13, 2016, the Company, through its wholly-owned subsidiaries, Bauer Hockey, Inc. and Bauer Hockey Corp., acquired substantially all of the assets and assumed certain liabilities of Easton Hockey Holdings, Inc. (the "Easton Hockey Acquisition"), a manufacturer and distributor of hockey equipment, pursuant to an asset purchase agreement among Bauer Hockey, Inc., Bauer Hockey Corp., Easton Hockey Holdings, Inc., Easton Hockey, Inc. and Easton Sports Canada, Inc. The acquisition provides the Company with intellectual property that will strengthen its research and development portfolio and ensures that the Company will have full ownership and control of the Easton brand in all sports other than cycling and archery. The Company will pay approximately $12,000 in cash over a period of 10 months and will finance the acquisition through additional borrowings on its asset-based revolving loan.

Due to the limited time since the closing of the Easton Hockey Acquisition, the valuation activities and related acquisition accounting are incomplete at this time. The Company currently expects to record a gain on bargain purchase due to the excess fair value of assets and liabilities acquired over the purchase price in the third fiscal quarter of the fiscal year.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*This discussion summarizes our consolidated operating results, financial condition and liquidity during the three-month periods ended November 30, 2015 and November 30, 2014. The following Management's Discussion and Analysis of our Financial Condition and Results of Operations should be read in conjunction with the accompanying consolidated financial statements and notes thereto and the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2015.*

*This discussion contains forward-looking statements that are based upon current expectations and are subject to risks, uncertainties and assumptions that could cause our results to differ materially from expectations. Factors that might cause such differences include, but are not limited to, those described under "Part I. Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K, "Note Regarding Forward-Looking Statements" in this quarterly report on Form 10-Q, and elsewhere in this quarterly report on Form 10-Q.*

**Executive Overview**

The Company is a leading developer and manufacturer of ice hockey, roller hockey, lacrosse, baseball and softball sports equipment, as well as related apparel and soccer apparel. The Company is the global leader in hockey with the strongest and most recognized brand, and it holds the No. 1 North American position in baseball and softball. Its products are marketed under the BAUER, MISSION, MAVERIK, CASCADE, INARIA, COMBAT and EASTON brand names and are distributed by sales representatives and independent distributors throughout the world. In addition, the Company distributes its hockey products through

its Burlington, Massachusetts and Bloomington, Minnesota Own The Moment Hockey Experience retail stores. The Company is focused on building its leadership position by growing market share in all product categories and pursuing strategic acquisitions.

Our mission is to elevate player performance and protection through athlete insight and superior innovation. Financially, our objectives are to grow our revenues each year faster than the total market for each of our sports and grow our profitability faster than revenues, in each case, on a constant currency basis. We have a diversified and balanced business model and are focused on growth through the following opportunities:

- Significantly grow market share in Baseball/Softball - as we did with Hockey, we are aiming to expand our market share in Baseball/Softball by investing in product development, developing a disciplined category management process and connecting with our core consumers.

- Continue to grow in Hockey - although we hold the overall No.1 market share position, we look to continue to expand market share in every category, with a particular focus on ice hockey sticks, the largest dollar category in the industry.

- Grow apparel across all sports - the apparel market is highly fragmented and we are aiming to grow apparel across all of our sports by leveraging the strength of our brands as well as continued R&D investments in apparel.

- Continue rapid growth in lacrosse - lacrosse continues to be one of the fastest growing sports in the United States and we are aiming to grow market share, and are targeting market leadership by 2016. We focus our efforts on the fast-growing youth and high school markets, including the women's game.

- Continue to pursue strategic acquisitions - we are an acquirer of choice and our global operating platform is applicable for many sports. We have established an effective internal process for identifying, acquiring and integrating target companies and technologies.

***Highlights of Q2 Fiscal 2016 vs. Q2 Fiscal 2015***

- Revenues totaled $153.0 million, declining 11.2% (down 5.5% in constant currency)
- Adjusted Gross Profit was $50.6 million, declining 18.6% (down 2.1% in constant currency)
- Adjusted Gross Profit margin was 33.1%, down 300 basis points (up 130 basis points in constant currency)
- Gross profit was $45.7 million, declining 18.3% (down 0.5% in constant currency), and gross profit margin was 29.9%, down 260 basis points (up 160 basis points in constant currency)
- Adjusted EBITDA was $15.3 million, down 36.3% (down 2.1% in constant currency)
- Adjusted Net Income totaled $5.9 million or $0.13 per share, compared to $11.3 million or $0.24 per share (Adjusted Net Income of $11.8 million or $0.25 per share in constant currency)
- Net loss totaled $4.5 million or ($0.10) per share, compared to net income of $1.0 million or $0.02 per share (net loss of $0.5 million or ($0.01) per share in constant currency)

***Recent Highlights***

On January 13, 2016, the Company acquired the EASTON hockey business ("Easton Hockey"). The acquisition adds Easton Hockey's heritage of innovation to our existing BAUER brand, while also adding intellectual property assets that will enhance our product lines under both the EASTON and BAUER brands. In addition, the acquisition will provide the Company with exclusive control of the EASTON brand in all sports other than cycling and archery. The Company will pay approximately $12.0 million in cash over a period of 10 months and will finance the acquisition through additional borrowings on its asset-based revolving loan.

**NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this quarterly report on Form 10-Q about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 and within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). Such statements often include words such as "may," "will," "would," "should," "could," "expects," "plans," "intends," "trends," "indicates," "anticipates," "believes," "estimates," "predicts," "likely," or "potential" or the negative or other variations of these words or other comparable words or phrases.

Discussions containing forward-looking statements may be found, among other places, under this Item 2 and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Certain assumptions with respect to the determination of acquisition accounting, valuation of derivatives, share-based payments, claim liabilities, employee future benefits, income taxes, the impairment of assets, and goodwill and intangibles are material factors made in preparing forward-looking information and management's expectations.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in Part I, Item 1A "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended May 31, 2015 and in Part II, Item 1A "Risk Factors" section of this quarterly report on Form 10-Q: inability to maintain and enhance brands, inability to introduce new and innovative products, intense competition in the sporting equipment and apparel industries, inability to own, enforce, defend and protect intellectual property rights worldwide, costs associated with potential lawsuits to enforce, defend or protect intellectual property rights, inability to protect our known brands and rights to use such brands, infringement of intellectual property rights of others, inability to translate booking orders into realized sales, including risks associated with changes in the mix or timing of orders placed by customers, seasonal fluctuations in our operating results and the trading price of our Common Shares, decrease in popularity of ice hockey, baseball and softball, roller hockey or lacrosse, reduced popularity of the National Hockey League, Major League Baseball or other professional or amateur leagues in sports in which our products are used, adverse publicity of athletes who use our products or the sports in which our products are used, inability to ensure third-party suppliers will meet quality and regulatory standards, reliance on third-party suppliers and manufacturers, disruption of distribution systems, loss of significant customers or suppliers, loss of key customers' business due to customer consolidation, change in the sales mix towards larger customers, cost of raw materials, shipping costs and other cost pressures, risks associated with doing business abroad, inability to expand into international market segments, inability to accurately forecast demand for products, inventory shrinkage, excess inventory due to inaccurate demand forecasts, product liability, warranty and recall claims, inability to successfully design products that satisfy testing protocols and standards established by testing and athletic governing bodies, inability to obtain and maintain necessary approvals in respect of products that may be considered medical devices, inability to successfully open and operate Own The Moment Hockey Experience retail stores, inability to successfully implement our strategic initiatives on anticipated timelines, including our profitability improvement initiative, risks associated with our third-party suppliers and manufacturers failing to manufacture products that comply with all applicable laws and regulations, inability to source merchandise profitably in the event new trade restrictions are imposed or existing trade restrictions become more burdensome, departure of senior executives or other key personnel with specialized market knowledge and technical skills, litigation, including certain class action lawsuits, employment or union-related disputes, disruption of information technology systems, including damages from computer viruses, unauthorized access, cyberattack and other security vulnerabilities, potential environmental liabilities, restrictive covenants in our credit facilities, increasing levels of indebtedness, inability to generate sufficient cash to fund operations or service the Company's indebtedness failure to make, integrate, and maintain new acquisitions, inability to realize growth opportunities or cost synergies that are anticipated to result from new acquisitions such as Easton Baseball/Softball, undisclosed liabilities acquired pursuant to recent acquisitions, volatility in the market price for Common Shares, possibility that we will need additional capital in the future, incurrence of additional expenses as a result of the loss of our foreign private issuer status, assertion that the acquisition of the Bauer Hockey Business at the time of the Canadian IPO was an inversion transaction, our current intention not to pay cash dividends, dependence on the performance of subsidiaries given the our status as a holding company, potential inability of investors to enforce judgments against the Company and its directors, fluctuations in the value of certain foreign currencies, including the Canadian dollar, in relation to the U.S. dollar, and other world currencies, general adverse economic and market conditions, changes government regulations, including tax laws and unanticipated tax liabilities and natural disasters and geo-political events. These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully.

The purpose of the forward-looking statements in this quarterly report on Form 10-Q is to provide the reader with a description of management's current expectations regarding the Company's financial performance and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements made herein. Unless otherwise stated, the forward-looking statements contained in this quarterly report on Form10-Q are made as of the date of this quarterly report on Form 10-Q, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this quarterly report on Form 10-Q are expressly qualified by this cautionary statement.

**Factors Affecting our Performance**

***Seasonality***

Each of our sports demonstrates substantial seasonality. The spring/summer season of Baseball/Softball is highly complementary to the fall/winter season of Hockey, and our quarterly sources of revenue and profitability are more balanced throughout our fiscal year as a result. The more evenly distributed seasonality of the combined business provides more consistent working capital levels and allows us to improve our efficiency in our manufacturing, distribution and other efforts.

Generally, our highest sales volumes for Hockey occur during the first fiscal quarter of our fiscal year, followed by the next highest sales volumes in the second fiscal quarter of our fiscal year. Our lowest sales volumes for Hockey occur during the third fiscal quarter of our fiscal year. In ice hockey, we have three sub-brands of products - VAPOR, SUPREME and NEXUS. In certain fiscal years, we launch new products under more than one sub-brand. Launch timing of our products add some variations between fiscal quarters each fiscal year.

In Baseball/Softball, our highest sales volumes for EASTON and COMBAT products occur in the third fiscal quarter of our fiscal year and the lowest sales volumes occur in the first fiscal quarter of our fiscal year.

In Lacrosse, our highest sales volumes for MAVERIK and CASCADE products occur in the second and third fiscal quarters of our fiscal year.

The shipment of INARIA soccer products occurs substantially in the first and fourth fiscal quarters of our fiscal year. We expect our team apparel revenues, including uniforms for ice hockey, roller hockey, lacrosse and other team sports, to align with the underlying sports' selling seasons as we expand our team apparel offering.

***Revenues***

We generate revenues from the sale of performance sports equipment and related apparel and accessories. We offer various cooperative marketing incentive programs to assist our sales channels with the marketing and selling of our products. These costs are recorded as a reduction of revenues. Each sport business within PSG manages its own commercial organization and go-to-market strategy.

The current sales channels for our sports businesses include (i) retailers in North America and the Nordic countries, (ii) distributors throughout the rest of the world (principally, Western Europe, Eastern Europe, and Russia), (iii) direct sales to teams, and (iv) Own The Moment Hockey Experience retail stores direct to consumer. Based on the regional mix, our revenues are generated in multiple currencies. For revenues, we are exposed to foreign currency exchange rate fluctuations of the U.S. dollar against the Canadian dollar, the euro, the Swedish krona, Norwegian krona and Danish krona.

The following table highlights revenues for the periods indicated:

| | Three Months Ended | | Period Over Period Growth Rate[1] | Six Months Ended | | Period Over Period Growth Rate[2] |
|---|---|---|---|---|---|---|
| **(millions of U.S. dollars, except for percentages)** | **November 30, 2015** | **November 30, 2014** | | **November 30, 2015** | **November 30, 2014** | |
| Revenues: | | | | | | |
| Canada | $ 30.7 | $ 40.0 | (23.3)% | $ 82.2 | $ 101.2 | (18.8)% |
| United States | 102.5 | 106.6 | (3.8)% | 189.5 | 192.6 | (1.6)% |
| Rest of world | 19.8 | 25.7 | (23.0)% | 56.4 | 75.6 | (25.4)% |
| Total Revenues | $ 153.0 | $ 172.3 | (11.2)% | $ 328.1 | $ 369.4 | (11.2)% |

(1) Three-month period ended November 30, 2015 vs. the three-month period ended November 30, 2014.
(2) Six-month period ended November 30, 2015 vs. the six-month period ended November 30, 2014.

***Cost of Goods Sold***

Our cost of goods sold is comprised primarily of (i) the cost of finished goods, materials and components purchased from

our suppliers, manufacturing labour and overhead costs in our manufacturing facilities, (ii) supply chain-related costs, such as freight, duties, warehousing and other distribution costs, (iii) warranty costs and (iv) inventory provisions and write-offs. Our warranty costs result from a general warranty policy providing coverage against manufacturing defects. Warranties range from 30 days to one year from the date sold to the consumer, depending on the type of product. Our warranty costs are primarily driven by sales of composite ice hockey sticks and baseball/softball bats. Amortization associated with certain acquired intangible assets, such as purchased technology and customer relationships, is also included in cost of goods sold. We also include charges to cost of goods sold resulting from the fair market value adjustment to inventory associated with certain acquired inventories.

PSG's cost of goods sold are exposed to transactional foreign currency risk in the following ways:

- PSG's subsidiaries purchase finished goods inventory directly from third party factories in U.S. dollars. These purchases generate a foreign currency exposure for those PSG subsidiaries with a functional currency other than the U.S. dollar, primarily PSG's Hockey business outside of the U.S. which has a functional currency of primarily Canadian dollars, Swedish krona and euro. As a result, a stronger U.S. dollar increases the inventory cost incurred by the relevant PSG subsidiary whereas a weaker U.S. dollar decreases its cost. The Company uses foreign currency forward contracts to hedge a portion of its exposure to fluctuations in the value of the U.S. dollar against the Canadian dollar. The resulting realized gain/loss on derivatives is an economic offset to the cost of goods sold.

- We source the majority of our products from suppliers in China and Thailand and agree to buy such products in U.S. dollars. We enter into supplier agreements ranging from six to twelve months with respect to the U.S. dollar cost of our Asian-sourced finished goods. In these agreements, we adjust for changes in the relevant foreign exchange rates in which the factory labor, materials and overhead are denominated. As a result, our cost of goods sold is impacted by the fluctuations of the Chinese renminbi, Thai baht and certain other Asian currencies against the U.S. dollar. Therefore, a strengthening U.S. dollar relative to these Asian currencies decreases PSG's U.S. dollar sourced product cost, whereas a weakening U.S. dollar increases our sourced product cost. We do not currently hedge our exposure to fluctuations in the value of these factory input cost currencies.

***Selling, General and Administrative Expenses***

Our SG&A expenses consist primarily of costs relating to our sales and marketing activities, including salaries, commissions and related personnel costs, customer order management and support activities, advertising, trade shows, and other promotional activities. Our marketing expenses include promotional costs for launching new products, advertising, and athlete endorsement costs. Our administrative expenses consist of, among other things, costs relating to information systems, legal and finance functions, professional fees, insurance, and other corporate expenses. We also include share-based payment expense, costs related to share offerings, and acquisition costs, including rebranding and integration costs, in SG&A expenses. We expect our SG&A expenses to increase as we make investments in the Easton Baseball/Softball business, continue to expand our Bauer Hockey retail business, make investments in R&D such as the Q30 Sports, LLC technology, and continue to invest in certain PSG platform functions.

***Research and Development Expenses***

R&D expenses consist primarily of salaries and related consulting expenses for technical personnel, contracts with leading research facilities, as well as materials and consumables used in product development. To date, no development costs have been capitalized. We incur most of our R&D expenses in Canada and are eligible to receive Scientific Research and Experimental Development investment tax credits for certain eligible expenditures which are recorded as a reduction to income tax expense. We currently expect our R&D expenses to grow as a result of investments in our Easton Baseball/Softball business, and as we focus on enhancing and expanding our product lines.

***Interest Expense***

Interest expense is derived from the financing activities of the Company and consists of interest expense on our term loan and revolving loan, and the amortization of deferred financing fees. As of November 30, 2015, the Credit Facilities (as defined herein) consist of a $450 million secured term loan credit agreement (the "New Term Loan"), denominated in U.S. dollars of which $330.5 million was drawn, and a $200 million secured asset-based revolving credit facility (the "New ABL Facility" and together with the New Term Loan, the "Credit Facilities"), denominated, and able to be drawn in, both Canadian dollars and U.S. dollars, of which $132.1 million was drawn, the availability of which is subject to meeting certain borrowing base requirements. Please see "Liquidity and Capital Resources - Indebtedness" for a more detailed discussion of the Credit Facilities.

***Impact of Foreign Exchange and Hedging Practices***

As a global company with significant operations outside the United States, in the normal course of business we are exposed to risk arising from the changes in currency exchange rates. Our primary foreign currency exposures arise from the recording of transactions denominated in non-functional currencies and the translation of foreign currency denominated results of operations, financial position, and cash flows into U.S. dollars.

Our foreign exchange risk management efforts are intended to lessen the effects of currency fluctuations on our consolidated results of operations, financial position, and cash flows. We manage global foreign exchange risk centrally on a portfolio basis to address those risks that are material to PSG. We manage these exposures primarily through the use of foreign exchange forward contracts, which are recorded on the consolidated balance sheet at fair value (see Note 15 - Derivatives and Risk Management and Note 16 - Fair Value Measures in the accompanying Notes to Consolidated Financial Statements). Our hedging practices are designed to provide stability around the receipt of cash, and at least partially offset the impact of exchange rate changes on the underlying exposures being hedged. Where exposures are hedged, our program has the effect of reducing volatility in our financial results and at least delaying the impact of exchange rate movements on our consolidated financial statements when a currency's direction is sustained over a longer period; the length of delay is dependent upon hedge horizons. We do not hold or issue derivative instruments for trading or speculative purposes.

The Company primarily uses foreign currency forward contracts to hedge the effect of changes in currency exchange rates on its product costs (see the "Cost of Goods Sold" section above). The resulting realized gain/loss on derivatives is an economic offset to the cost of goods sold that are recorded in the Company's gross profit. The Company has not elected hedge accounting; therefore, the changes in the fair value of these derivatives are recognized as unrealized gains and losses through profit or loss each reporting period. In the six-month periods ended November 30, 2015 and November 30, 2014, the Company settled Canadian dollar forward contracts for $58.0 million and $70.0 million, respectively, at a weighted average exchange rate of 1.24 and 1.04, respectively. As of November 30, 2015, the amount of Canadian dollar forward contracts outstanding was $70.0 million at a weighted average exchange rate of 1.30. As of November 30, 2014, the amount of Canadian dollar forward contracts outstanding was $32.0 million at a weighted average exchange rate of 1.07.

The Company's reporting currency is the U.S. dollar. Many of our foreign subsidiaries operate in functional currencies other than the U.S. dollar, the most significant of which are in Canadian dollars, Swedish krona, and euro. Fluctuations in currency exchange rates create volatility in our reported results as we are required to translate the balance sheets, operational results, and cash flows of these subsidiaries into U.S. dollars for consolidated reporting. Balances on the consolidated balance sheets are converted at the month-end foreign exchange rates or at historical exchange rates, and all profit and loss transactions are recognized at monthly average rates. In the translation of our consolidated statements of income, a weaker U.S. dollar in relation to the Canadian dollar, Swedish krona, and euro benefits our consolidated revenues and earnings, whereas a stronger U.S. dollar reduces our consolidated revenues and earnings. Adjustments resulting from translating foreign functional currency balance sheets into U.S. dollars are included in the foreign currency translation adjustment, a component of accumulated other comprehensive income (loss) in equity. Re-measurement gains and losses generated by the effect of foreign exchange on recorded assets and liabilities denominated in a currency different from the functional currency of the applicable entity are recorded in foreign exchange gain/loss in the period in which they occur. The Company does not currently hedge these translation or re-measurement exposures.

In this quarterly report on Form 10-Q, we provide the impact of foreign exchange on our various financial measures. These amounts reflect the impact of translating the current period results at the monthly foreign exchange rates of the prior year period, the effect of changes in the value of the Canadian dollar against the U.S. dollar on our cost of goods purchased for sale outside of the United States including the related realized gains/losses on derivatives described above, and the realized gains/losses generated from revaluing non-functional currency assets and liabilities. The reported foreign exchange impact does not include the impact of fluctuations in Asian currencies against the U.S. dollar and their related effect on our Asian-sourced finished goods. See the "Cost of Goods Sold" section above for a more detailed description of these foreign exchange impacts. Also see "Non-GAAP Financial Measures".

The following table summarizes the change in the reported U.S. dollars versus constant currency U.S. dollars for the three-and six-month periods ended November 30, 2015:

| (millions of U.S. dollars, except for per share amounts) | Three Months Ended November 30, 2015 | | | | Six Months Ended November 30, 2015 | | | |
|---|---|---|---|---|---|---|---|---|
| | Reported | Constant Currency [2] | Impact of Foreign Exchange | % Change | Reported | Constant Currency [2] | Impact of Foreign Exchange | % Change |
| Revenues | $ 153.0 | $ 162.9 | $ (9.9) | (6.1)% | $ 328.1 | $ 352.4 | $ (24.3) | (6.9)% |
| Gross Profit | $ 45.7 | $ 55.6 | $ (9.9) | (17.8)% | $ 98.4 | $ 122.1 | $ (23.7) | (19.4)% |
| Selling, general & administrative | $ 39.5 | $ 41.3 | $ (1.8) | (4.4)% | $ 79.6 | $ 82.8 | $ (3.2) | (3.9)% |
| Research & development | $ 5.9 | $ 6.3 | $ (0.4) | (6.3)% | $ 12.1 | $ 12.9 | $ (0.8) | (6.2)% |
| Adjusted Gross Profit [1] | $ 50.6 | $ 60.9 | $ (10.3) | (16.9)% | $ 106.2 | $ 130.4 | $ (24.2) | (18.6)% |
| Adjusted EBITDA [1] | $ 15.3 | $ 23.5 | $ (8.2) | (34.9)% | $ 31.9 | $ 54.9 | $ (23.0) | (41.9)% |
| Adjusted Net Income [1] | $ 5.9 | $ 11.8 | $ (5.9) | (50.0)% | $ 11.8 | $ 28.4 | $ (16.6) | (58.5)% |
| Adjusted EPS [1] | $ 0.13 | $ 0.25 | $ (0.12) | (48.0)% | $ 0.25 | $ 0.60 | $ (0.35) | (58.3)% |
| Adjusted Gross Profit %[1] | 33.1% | 37.4% | (4.3)% | — | 32.4% | 37.0% | (4.6)% | — |

(1) Represents a non-GAAP measure. For the relevant definitions and reconciliations to reported results, see "Non-GAAP Financial Measures."
(2) Represents a non-GAAP measure. For the relevant definition, see "Non-GAAP Financial Measures".

The following table summarizes the average of the monthly exchange rates used to translate profit or loss transactions for the periods indicated, as reported by the Wall Street Journal:

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | November 30, 2015 | November 30, 2014 | % Change | November 30, 2015 | November 30, 2014 | % Change |
| CAD / USD | 1.317 | 1.101 | (19.6)% | 1.279 | 1.092 | (17.1)% |
| EUR / USD | 0.894 | 0.768 | (16.4)% | 0.897 | 0.750 | (19.6)% |
| SEK / USD | 8.431 | 7.056 | (19.5)% | 8.410 | 6.865 | (22.5)% |

***Income Taxes***

The Company is subject to cash taxes in the United States, Canada and Europe for federal, state, and provincial income taxes, as applicable. The Company utilizes its tax loss carry forwards, tax credits and other tax assets, as available, to offset its taxable income.

**Results of Operations**

The following table summarizes our results of operations for the three-and six-month periods ended November 30, 2015 and November 30, 2014, and has been derived from our unaudited consolidated financial statements and related notes.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(millions of U.S. dollars, except for percentages and per share amounts)** | **November 30, 2015** | **November 30, 2014** | **November 30, 2015** | **November 30, 2014** |
| Revenues | $ 153.0 | $ 172.3 | $ 328.1 | $ 369.4 |
| Cost of goods sold | 107.3 | 116.4 | 229.7 | 249.5 |
| Gross profit | $ 45.7 | $ 55.9 | $ 98.4 | $ 119.9 |
| Operating expenses: | | | | |
| Selling, general & administrative | 39.5 | 39.1 | 79.6 | 75.0 |
| Research & development | 5.9 | 6.4 | 12.1 | 12.5 |
| Operating income (loss) | $ 0.3 | $ 10.4 | $ 6.7 | $ 32.4 |
| Interest expense, net | 5.5 | 4.8 | 10.3 | 10.2 |
| Derivative and foreign exchange (gain) loss | 0.5 | 3.3 | 5.7 | 4.6 |
| Other expense (income) | (0.1) | 0.1 | 0.1 | 0.1 |
| Income tax expense (benefit) | (1.1) | 1.2 | (0.5) | 5.7 |
| Net income (loss) | $ (4.5) | $ 1.0 | $ (8.9) | $ 11.8 |
| | | | | |
| Basic earnings (loss) per share | $ (0.10) | $ 0.02 | $ (0.19) | $ 0.27 |
| Diluted earnings (loss) per share | $ (0.10) | $ 0.02 | $ (0.19) | $ 0.26 |
| | | | | |
| Adjusted Gross Profit [(1)] | $ 50.6 | $ 62.2 | $ 106.2 | $ 135.6 |
| Adjusted EBITDA [(1)] | $ 15.3 | $ 24.0 | $ 31.9 | $ 63.9 |
| Adjusted Net Income (Loss) [(1)] | $ 5.9 | $ 11.3 | $ 11.8 | $ 33.2 |
| Adjusted EPS [(1)] | $ 0.13 | $ 0.24 | $ 0.25 | $ 0.73 |
| | | | | |
| As a percentage of revenues: | | | | |
| Gross profit | 29.9% | 32.5% | 30.0% | 32.5% |
| Selling, general & administrative | 25.8% | 22.7% | 24.3% | 20.3% |
| Research & development | 3.9% | 3.7% | 3.7% | 3.4% |
| Adjusted Gross Profit [(1)] | 33.1% | 36.1% | 32.4% | 36.7% |
| Adjusted EBITDA [(1)] | 10.0% | 13.9% | 9.7% | 17.3% |

(1) Represents a non-GAAP measure. For the relevant definitions and reconciliations to reported results, see “Non-GAAP Financial Measures.”

***Three months ended November 30, 2015 compared to three months ended November 30, 2014***

*Revenues*

Currency neutral revenues in the three-month period ended November 30, 2015 decreased by $9.4 million, or 5.5%, to $162.9 million, driven by a Hockey revenue decline of $12.0 million, or 10.5%, which was related to variations in product launch cycles in the Company’s hockey segment, as well as retailer consolidation in the U.S and challenging market conditions in Russia and Eastern Europe. Baseball/Softball revenues increased by $1.9 million, or 3.8% compared to the prior year driven by 28.5% growth in EASTON non-bat categories, and revenue from the Other Sports grew by $0.7 million, or 7.1% driven by continued strong growth in the MAVERIK line of heads and protective gear as well as growth in the helmet category due to the prior year NOCSAE decertification of the lacrosse CASCADE R model helmet. Currency neutral revenues in North America declined by 5.1% and declined by 7.6% in the rest of the world.

Including the impact of foreign exchange, revenues decreased by $19.2 million, or 11.2%, to $153.0 million. Overall revenues in North America decreased by 9.2%, and decreased by 23.0% in the rest of the world. The translation impact of foreign

exchange in the three-month period ended November 30, 2015 reduced our reported revenues by $9.9 million compared to the prior year.

For further detail on our revenues, please refer to the "Segment Results" section.

*Cost of goods sold*

Cost of goods sold in the three-month period ended November 30, 2015 decreased by $9.0 million, or 7.7%, to $107.3 million, as a result of lower Hockey revenues, lower costs for new Hockey product launches in all regions, costs related to the lacrosse helmet decertification in the three-month period ended November 20, 2014, and lower non-cash charges resulting from the fair value adjustment of inventories related to the acquisition of Easton Baseball/Softball (the "Easton Baseball/Softball Acquisition") of $0.9 million in the three-month period ended November 30, 2014 which were partially offset by investments to consolidate distribution centers. Cost of goods sold in the three-month period ended November 30, 2015 decreased by $9.1 million, excluding the impact of foreign exchange.

*Gross Profit*

Currency neutral gross profit in the three-month period ended November 30, 2015 decreased by $0.3 million, or 0.5%, to $55.6 million, driven by lower Hockey revenues and investments to consolidate distribution centers which were partially offset by Hockey price increases in Canada, lower costs for new product launches within Hockey, costs related to the lacrosse helmet decertification in the three-month period ended November 30, 2014, and lower non-cash charges resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition of $0.9 million in the three-month period ended November 30, 2014. As a percentage of revenues, currency neutral gross profit increased to 34.1% for the three-month period ended November 30, 2015 from 32.5% in the three-month period ended November 30, 2014 due to Hockey price increases in Canada, costs related to the lacrosse helmet decertification in the three-month period ended November 30, 2014, and lower non-cash charges resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition of $0.9 million in the three-month period ended November 30, 2014 which were partially offset by investments to consolidate distribution centers.

Including the impact of foreign exchange, gross profit in the three-month period ended November 30, 2015 decreased by $10.3 million, or 18.3%, to $45.7 million driven by the impact of foreign exchange. As a percentage of revenues, gross profit decreased to 29.9% for the three-month period ended November 30, 2015 from 32.5% in the three-month period ended November 30, 2014. The impact of foreign exchange in the three-month period ended November 30, 2015 decreased gross profit by $9.9 million compared to the prior year. See "Factors Affecting our Performance - Cost of Goods Sold" and "Liquidity and Capital Resources" for more detail on our product costs.

*Adjusted Gross Profit*

Currency neutral Adjusted Gross Profit (removing purchase accounting related amortization, non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition, and investments to consolidate distribution centers) in the three-month period ended November 30, 2015 decreased by $1.3 million, or 2.1%, to $60.9 million. Currency neutral Adjusted Gross Profit as a percentage of revenues increased to 37.4% for the three-month period ended November 30, 2015 from 36.1% for the three-month period ended November 30, 2014, driven by Hockey price increases in Canada and lower costs for new Hockey product launches in all regions.

Including the impact of foreign exchange, Adjusted Gross Profit in the three-month period ended November 30, 2015 decreased by $11.6 million, or 18.6%, to $50.6 million. Adjusted Gross Profit as a percentage of revenues decreased to 33.1% for the three-month period ended November 30, 2015 from 36.1% for the three-month period ended November 30, 2014, driven primarily by an unfavorable impact from foreign exchange and partially offset by the factors mentioned above. Please see the Adjusted Gross Profit table for the reconciliation of gross profit to Adjusted Gross Profit in the "Non-GAAP Financial Measures" section.

*Selling, General and Administrative Expenses*

SG&A expenses in the three-month period ended November 30, 2015 increased by $0.4 million, or 0.9%, to $39.5 million which was driven primarily by an approximately $3.0 million bad debt write-off related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization, costs related to the proxy contest in October 2015, start-up costs related to the Own The Moment Hockey Experience retail store initiative, higher PSG corporate costs, due in part to regulatory compliance costs associated with the Company's transition to being a U.S. domestic issuer, investments in PSG and Easton Baseball/Softball

IT infrastructure, which were partially offset by a reduction in performance based incentives, as well as a favorable impact from foreign exchange. Excluding the impact of acquisition-related costs, share-based payment expense, start-up costs related to the Own The Moment Hockey Experience retail store initiative, regulatory compliance costs associated with the Company's transition to being a U.S. domestic issuer and costs related to the proxy contest in October 2015, our SG&A expenses decreased by $1.4 million, or 4.0%, to $33.4 million due to the factors mentioned above.

As a percentage of revenues, our SG&A expenses increased to 25.8% for the three-month period ended November 30, 2015 from 22.7% of revenues for the three-month period ended November 30, 2014. Excluding the impact of acquisition-related costs, share-based payment expense, start-up costs related to the Own The Moment Hockey Experience retail store initiative, regulatory compliance costs associated with the Company's transition to being a U.S. domestic issuer and costs related to the proxy contest in October 2015, SG&A expenses as a percentage of revenue increased to 21.8% for the three-month period ended November 30, 2015 from 20.2% of revenues for the three-month period ended November 30, 2014. The translation impact of foreign exchange for the three-month period ended November 30, 2015 decreased our reported SG&A expenses by $1.8 million compared to prior year.

*Research and Development Expenses*

R&D expenses in the three-month period ended November 30, 2015 decreased by $0.5 million, or 7.8%, to $5.9 million due to our continued focus on product development efforts. As a percentage of revenues, our R&D expenses increased to 3.9% for the three-month period ended November 30, 2015 from 3.7% for the three-month period ended November 30, 2014 as a result of lower Hockey revenues. The translation impact of foreign exchange for the three-month period ended November 30, 2015 reduced our reported R&D expenses by $0.4 million compared to prior year.

*Adjusted EBITDA*

Currency neutral Adjusted EBITDA in the three-month period ended November 30, 2015 decreased by $0.5 million, or 2.1%, to $23.5 million from $24.0 million in the three-month period ended November 30, 2014 due to lower Hockey revenues and bad debt expense driven primarily by an approximately $3.0 million bad debt write-off related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization, which were partially offset by Hockey price increases in Canada and lower costs for new Hockey product launches in all regions as well as a reduction in performance based incentives. As a percentage of revenues, currency neutral Adjusted EBITDA increased to 14.4% for the three-month period ended November 30, 2015 from 13.9% for the three-month period ended November 30, 2014. Including the impact of foreign exchange, Adjusted EBITDA in the three-month period ended November 30, 2015 decreased by $8.7 million, or 36.3%, to $15.3 million from $24.0 million, driven by the above factors and an unfavorable impact from foreign exchange of $8.2 million. As a percentage of revenues, Adjusted EBITDA decreased to 10.0% for the three-month period ended November 30, 2015 from 13.9% for the three-month period ended November 30, 2014. Please see the Adjusted EBITDA table for the reconciliation of net income to Adjusted EBITDA in the "Non-GAAP Financial Measures" section.

*Interest Expense, net*

Interest expense in the three-month period ended November 30, 2015 increased by $0.7 million, or 13.9%, to $5.5 million from $4.8 million, driven by an increase in interest incurred under our revolving line of credit.

*Derivative and Foreign Exchange Gains/Losses*

Realized gain on derivatives increased by $0.1 million, or 8.4%, to a gain of $1.4 million from a gain of $1.3 million, driven by the continued devaluation of the Canadian dollar relative to the hedge rates in effect on the Company's forward contracts.

Unrealized loss on derivatives increased by $1.2 million, or greater than 100%, to a loss of $0.7 million from a gain of $0.6 million. The Company has not elected hedge accounting and therefore the changes in the fair value of derivative contracts are recognized through profit or loss each reporting period.

Foreign exchange loss decreased by $3.9 million, or 76.1%, to a loss of $1.2 million from a loss of $5.1 million. The foreign exchange gain/loss represents the realized and unrealized gains/losses generated from revaluing non-functional currency assets and liabilities to their respective functional currency. The realized foreign exchange gain decreased $1.0 million to $0.9 million, from $1.9 million.

See "Factors Affecting Our Performance - Impact of Foreign Exchange and Hedging Practices".

*Income Taxes*

Income tax benefit for the three-month period ended November 30, 2015 was $1.1 million, compared to income tax expense of $1.2 million in the three-month period ended November 30, 2014. The Company's effective tax rate was 19.5%, compared to 54.6% for the same period in the prior year. The relative mix of pre-tax income (loss) between Canada and the U.S. (the Company's primary tax jurisdictions) caused the effective tax rate for the current year period to be lower than an expected normalized rate, and the effective tax rate for the prior year period to be higher than an expected normalized rate. Unrealized capital losses for which no tax benefit could be recognized also contributed to these deviations in the effective tax rate from a normalized rate for both the current year and prior year periods.

*Net Income (Loss)*

Net loss in the three-month period ended November 30, 2015 decreased by $5.5 million, or greater than 100%, to a net loss of $4.5 million from net income of $1.0 million in the three-month period ended November 30, 2014, driven by the results described above. The impact of foreign exchange for the three-month period ended November 30, 2015 decreased our net income by $4.0 million compared to the prior year.

*Adjusted Net Income*

Currency neutral Adjusted Net Income in the three-month period ended November 30, 2015 increased by $0.5 million, or 4.4%, to $11.8 million from $11.3 million in the three-month period ended November 30, 2014, driven by the operating results reflected in the Adjusted EBITDA section, which were partially offset by lower taxes.

Including the impact of foreign exchange, Adjusted Net Income in the three-month period ended November 30, 2015 decreased by $5.4 million, or 47.8%, to $5.9 million from $11.3 million in the three-month period ended November 30, 2014, driven by the factors described above and an unfavorable impact from foreign exchange of $5.9 million. Adjusted Net Income/Loss removes unrealized foreign exchange gains/losses, acquisition-related charges, share-based payment expense, and other one-time or non-cash expenses. Please see the Adjusted Net Income/Loss table in the "Non-GAAP Financial Measures" section for the reconciliation of net income (loss) to Adjusted Net Income/Loss and Adjusted EPS.

***Six months ended November 30, 2015 compared to six months ended November 30, 2014***

*Revenues*

Currency neutral revenues in the six-month period ended November 30, 2015 decreased by $17.0 million, or 4.6%, to $352.4 million, driven by a Hockey revenue decline of $20.5 million, or 7.5%, which was related to the timing and variation of product launches in ice hockey equipment and performance apparel, economic contraction in Russia/Eastern Europe, and lower bookings/repeats due to retail consolidation of U.S. key accounts. Baseball/Softball revenues increased by $1.7 million, or 2.1% compared to the prior year, and revenue from the Other Sports grew by $1.8 million, or 12.7%. Currency neutral revenues in North America declined by 2.9% and declined by 11.1% in the rest of the world.

Including the impact of foreign exchange, revenues decreased by $41.3 million, or 11.2%, to $328.1 million. Overall revenues in North America decreased by 7.5%, and decreased by 25.4% in the rest of the world. The translation impact of foreign exchange in the six-month period ended November 30, 2015 reduced our reported revenues by $24.3 million compared to the prior year.

For further detail on our revenues, please refer to the "Segment Results" section.

*Cost of goods sold*

Cost of goods sold in the six-month period ended November 30, 2015 decreased by $19.8 million, or 7.9%, to $229.7 million, as a result of lower Hockey revenues, lower costs for new Hockey product launches in all regions, and lower non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the acquisition of Easton Baseball/Softball of $7.1 million in the six-month period ended November 30, 2014, lower costs related to the lacrosse helmet decertification in the three-month period ended November 30, 2014, which were partially offset by investments to consolidate distribution centers. Cost of goods sold in the six-month period ended November 30, 2015 decreased by $19.2 million, excluding the impact of foreign exchange.

*Gross Profit*

Currency neutral gross profit in the six-month period ended November 30, 2015 increased by $2.2 million, or 1.8%, driven by lower non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition of $7.1 million in the six-month period ended November 30, 2014, lower costs related to the lacrosse helmet decertification in the three-month period ended November 30, 2014, Hockey price increases in Canada and lower costs for new product launches within Hockey, which were partially offset by lower Hockey revenues. As a percentage of revenues, currency neutral gross profit increased to 34.7% for the six-month period ended November 30, 2015 from 32.5% in the six-month period ended November 30, 2014.

Including the impact of foreign exchange, gross profit in the six-month period ended November 30, 2015 decreased by $ 21.5 million, or 17.9%, to $98.4 million, driven by an unfavorable impact from foreign exchange, which was partially offset by the factors mentioned above. As a percentage of revenues, gross profit decreased to 30.0% for the six-month period ended November 30, 2015 from 32.5% in the six-month period ended November 30, 2014. The impact of foreign exchange in the six-month period ended November 30, 2015 decreased gross profit by $23.7 million compared to the prior year. See “Factors Affecting our Performance - Cost of Goods Sold” and “Liquidity and Capital Resources” for more detail on our product costs.

*Adjusted Gross Profit*

Currency neutral Adjusted Gross Profit (removing purchase accounting related amortization, non-cash charges to cost of goods sold resulting from the fair value adjustment of inventories related to the Easton Baseball/Softball Acquisition, and investments to consolidate distribution centers) in the six-month period ended November 30, 2015 decreased by $5.2 million, or 3.8%, to $130.4 million. Currency neutral Adjusted Gross Profit as a percentage of revenues increased to 37.0% for the six-month period ended November 30, 2015 from 36.7% for the six-month period ended November 30, 2014, driven by Hockey price increases in Canada, lower costs for new Hockey product launches in all regions and negotiated cost savings.

Including the impact of foreign exchange, Adjusted Gross Profit in the six-month period ended November 30, 2015 decreased by $29.4 million, or 21.7%, to $106.2 million. Adjusted Gross Profit as a percentage of revenues decreased to 32.4% for the six-month period ended November 30, 2015 from 36.7% for the six-month period ended November 30, 2014, driven primarily by an unfavorable impact from foreign exchange. Please see the Adjusted Gross Profit table for the reconciliation of gross profit to Adjusted Gross Profit in the “Non-GAAP Financial Measures” section.

*Selling, General and Administrative Expenses*

SG&A expenses in the six-month period ended November 30, 2015 increased by $4.7 million, or 6.3%, to $79.6 million which was driven primarily by an approximately $3.0 million bad debt write-off related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization, costs related to the proxy contest in October 2015, start-up costs related to the Own The Moment Hockey Experience retail store initiative, higher PSG corporate costs, due in part to regulatory compliance costs associated with the Company’s transition to a U.S. domestic issuer, investments in PSG and Easton Baseball/Softball IT infrastructure, which were partially offset by a reduction in performance based incentives, as well as a favorable impact from foreign exchange. Excluding the impact of acquisition-related costs, share-based payment expense, start-up costs related to the Own The Moment Hockey Experience retail store initiative, regulatory compliance costs associated with the Company’s transition to being a U.S. domestic issuer and costs related to the proxy contest in October 2015, our SG&A expenses increased by $1.9 million, or 2.9%, to $68.2 million.

As a percentage of revenues, our SG&A expenses increased to 24.3% for the six-month period ended November 30, 2015 from 20.3% of revenues for the six-month period ended November 30, 2014. Excluding the impact of acquisition-related costs, share-based payment expense, start-up costs related to the Own The Moment Hockey Experience retail store initiative, regulatory compliance costs associated with the Company’s transition to being a U.S. domestic issuer and costs related to the proxy contest in October 2015, SG&A expenses as a percentage of revenue increased to 20.8% for the six-month period ended November 30, 2015 from 17.9% of revenues for the six-month period ended November 30, 2014. The translation impact of foreign exchange for the six-month period ended November 30, 2015 decreased our reported SG&A expenses by $3.2 million compared to prior year.

*Research and Development Expenses*

R&D expenses in the six-month period ended November 30, 2015 decreased by $0.4 million, or 3.1%, to $12.1 million. As a percentage of revenues, our R&D expenses increased to 3.7% for the six-month period ended November 30, 2015 from 3.4% for the six-month period ended November 30, 2014 as a result of lower Hockey revenues. The translation impact of foreign exchange for the six-month period ended November 30, 2015 reduced our reported R&D expenses by $0.8 million compared to

prior year.

*Adjusted EBITDA*

Currency neutral Adjusted EBITDA in the six-month period ended November 30, 2015 decreased by $ 9.0 million, or 14.1%, to $54.9 million from $63.9 million primarily due to a decline in Hockey revenues as well as an approximately $3.0 million bad debt write-off related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization. As a percentage of revenues, currency neutral Adjusted EBITDA decreased to 15.6% for the six-month period ended November 30, 2015 from 17.3% for the six-month period ended November 30, 2014. Including the impact of foreign exchange, Adjusted EBITDA in the six-month period ended November 30, 2015 decreased by $32.0 million, or 50.1%, to $31.9 million from $63.9 million, driven by the above factors and an unfavorable impact from foreign exchange of $23.0 million. As a percentage of revenues, Adjusted EBITDA decreased to 9.7% for the six-month period ended November 30, 2015 from 17.3% for the six-month period ended November 30, 2014. Please see the Adjusted EBITDA table for the reconciliation of net income to Adjusted EBITDA in the "Non-GAAP Financial Measures" section.

*Interest Expense, net*

Interest expense in the six-month period ended November 30, 2015 increased by $0.1 million, or 0.9%, to $10.3 million from $10.2 million.

*Derivative and Foreign Exchange Gains/Losses*

Realized gain on derivatives decreased by $2.2 million, or 64.1%, to $1.2 million from $3.4 million, driven by the continued devaluation of the Canadian dollar relative to the hedge rates in effect on the Company's forward contracts.

Unrealized gain on derivatives increased by $2.3 million, or greater than 100%, to a gain of $1.4 million from a loss of $0.9 million. The Company has not elected hedge accounting and therefore the changes in the fair value of derivative contracts are recognized through profit or loss each reporting period.

Foreign exchange loss increased by $1.2 million, to a loss of $8.3 million from a loss of $7.1 million. The foreign exchange gain/loss represents the realized and unrealized gains/losses generated from revaluing non-functional currency assets and liabilities to their respective functional currency. The realized foreign exchange gain decreased $0.7 million to $0.7 million, from $1.4 million.

See "Factors Affecting Our Performance - Impact of Foreign Exchange and Hedging Practices".

*Income Taxes*

Income tax benefit for the six-month period ended November 30, 2015 was $ 0.5 million, compared to income tax expense of $5.7 million in the six-month period ended November 30, 2014. The Company's effective tax rate was 5.4%, compared to 32.7% for the same period in the prior year. The decrease in the effective tax rate was due to the change in relative mix of pretax income (loss) between Canada and the U.S. (the Company's primary tax jurisdictions), and higher unrealized capital losses for which no tax benefit could be recognized.

*Net Income (Loss)*

Net income (loss) in the six-month period ended November 30, 2015 decreased by $ 20.6 million to a net loss of $8.9 million from net income of $11.8 million in the six-month period ended November 30, 2014 driven by the results described above. The impact of foreign exchange for the six-month period ended November 30, 2015 decreased our net income by $17.0 million compared to the prior year.

*Adjusted Net Income*

Currency neutral Adjusted Net Income in the six-month period ended November 30, 2015 decreased by $4.8 million, or 14.5%, to $28.4 million from $33.2 million in the six-month period ended November 30, 2014, driven by the operating results reflected in the Adjusted EBITDA section which were partially offset by lower taxes.

Including the impact of foreign exchange, Adjusted Net Income in the six-month period ended November 30, 2015 decreased by $21.4 million, or 64.5%, to $11.8 million from $33.2 in the six-month period ended November 30, 2014, driven by

the factors described above and an unfavorable impact from foreign exchange of $16.6 million. Adjusted Net Income/Loss removes unrealized foreign exchange gains/losses, acquisition-related charges, share-based payment expense, and other one-time or non-cash expenses. Please see the Adjusted Net Income/Loss table in the "Non-GAAP Financial Measures" section for the reconciliation of net income (loss) to Adjusted Net Income/Loss and Adjusted EPS.

***Segment Results***

The Company has two reportable operating segments: (i) Hockey and (ii) Baseball/Softball. The remaining operating segments do not meet the criteria for a reportable segment and are included in Other Sports. The Hockey segment includes the BAUER and MISSION brands. The Baseball/Softball segment includes the EASTON and COMBAT brands. Other Sports includes the lacrosse and soccer operating segments, which includes the MAVERIK, CASCADE, and INARIA brands. The Hockey segment sales channels include: (i) direct sales to retailers in North America and the Nordic countries, (ii) distributors throughout the rest of the world (principally, Western Europe, Eastern Europe, and Russia), (iii) direct sales to teams, and (iv) sales from our Own The Moment Experience retail stores. The Baseball/Softball segment sales channels primarily consist of retailers and distributors in North America. The Other Sports segment sales channels primarily include retailers and distributors in North America and direct sales to teams and sports associations.

These operating segments were determined based on the management structure and the financial information, among other factors, reviewed by the Chief Operating Decision Maker ("CODM") to assess segment performance. The decisions concerning assessing the performance of segments and allocation of resources to the segments are based on segment revenues and segment EBITDA.

Segmented operating results and other financial information for the three-and six-month periods ended November 30, 2015 and November 30, 2014 are presented in the following table:

| (millions of U.S. dollars, except for percentages) | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | November 30, 2015 | November 30, 2014 | % Change | % Change (Constant $) | November 30, 2015 | November 30, 2014 | % Change | % Change (Constant $) |
| | | | (1) | (2) | | | (3) | (4) |
| **Revenues:** | | | | | | | | |
| Hockey | $ 91.9 | $ 113.4 | (19.0)% | (10.5)% | $ 229.4 | $ 273.8 | (16.2)% | (7.5)% |
| Baseball/Softball | 50.9 | 49.2 | 3.5 % | 3.8 % | 83.1 | 81.6 | 1.8 % | 2.1 % |
| Other Sports | 10.2 | 9.7 | 5.2 % | 7.1 % | 15.6 | 14.0 | 11.3 % | 12.7 % |
| Total Revenues | $ 153.0 | $ 172.3 | (11.2)% | (5.5)% | $ 328.1 | $ 369.4 | (11.2)% | (4.6)% |
| **Segment EBITDA (5)(6)** | | | | | | | | |
| Hockey | $ 7.3 | $ 12.9 | (43.3)% | 26.1 % | $ 26.5 | $ 51.9 | (48.9)% | (2.2)% |
| Baseball/Softball | 7.9 | 11.5 | (31.3)% | (30.9)% | 9.1 | 15.2 | (40.3)% | (40.4)% |
| Other Sports | 1.0 | 1.5 | (35.5)% | (42.9)% | — | 0.1 | (74.4)% | > (100%) |
| Total Segment EBITDA (5) (6) | $ 16.2 | $ 25.9 | (37.5)% | (3.2)% | $ 35.6 | $ 67.2 | (47.0)% | (11.3)% |

(1) Three-month period ended November 30, 2015 vs. the three-month period ended November 30, 2014.

(2) Represents the change in the constant currency U.S. dollars for the three-month period ended November 30, 2015 vs. the reported three-month period ended November 30, 2014. Results have been restated using actual exchange rates in use during the comparative period to enhance the visibility of the underlying business trends by excluding the impact of foreign currency exchange fluctuations.

(3) Six-month period ended November 30, 2015 vs. the six-month period ended November 30, 2014.

(4) Represents the change in the constant currency U.S. dollars for the six-month period ended November 30, 2015 vs. the reported six-month period ended November 30, 2014. Results have been restated using actual exchange rates in use during the comparative period to enhance the visibility of the underlying business trends by excluding the impact of foreign currency exchange fluctuations.

(5) Represents a non-GAAP financial measure. For the relevant definitions and reconciliations to reported results, see "Non-GAAP Financial Measures" and Note 14 - Segment Information in the accompanying Notes to Consolidated Financial Statements.

(6) Certain PSG functional platform costs are directly allocated to each operating segment based on usage or other relevant operational metrics. PSG's functional platform costs consist of expenses incurred by centrally managed functions, including global information systems, finance and legal, distribution and logistics, sourcing and manufacturing, and other miscellaneous costs.

*Three months ended November 30, 2015 compared to three months ended November 30, 2014*

**Hockey**

Currency neutral Hockey revenues decreased by $12.0 million, or 10.5%, related to variations in ice hockey equipment product launch cycles, a 36.5% decline in performance apparel related to the prior year launch of 37.5™ apparel, and lower sales to our Russian and European distributors. Currency neutral Hockey revenues declined by 11.4% in North America, and 7.6% in the rest of the world. Including the impact of foreign exchange, reported Hockey revenues in the three-month period ended November 30, 2015 decreased by $21.5 million, or 19.0%.

Currency neutral Hockey segment EBITDA increased by $3.4 million, or 26.1% as a result of lower revenues which were partially offset by Hockey price increases in Canada, lower costs for new Hockey product launches in all regions, negotiated vendor cost savings, and lower SG&A costs largely due to a reduction in performance based incentives. Including the impact of foreign exchange, reported Hockey segment EBITDA in the three-month period ended November 30, 2015 decreased by $5.6 million, or 43.3%, to $7.3 million, driven by the significant impact of foreign exchange as well as the impacts described above.

**Baseball/Softball**

Baseball/Softball revenue in the three-month period ended November 30, 2015 increased by $1.7 million, or 3.5%, to $50.9 million due to a 4.4% increase in Easton Baseball/Softball sales driven by 28.5% growth in non-bat categories, partially offset by the launch of only one bat family compared to a two-family launch last year. Combat revenue decreased 9.9% or $0.2 million compared to prior year due to the early launch of Maxum bats this year compared to the traditional launch of bats in the second fiscal quarter of our fiscal year.

Baseball/Softball segment EBITDA in the three-month period ended November 30, 2015 decreased by $3.6 million, or 31.3%, to $7.9 million largely as a result of an approximately $3.0 million bad debt write-off related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization, lower gross margins due to unfavorable product mix in Easton Baseball/Softball (related to a decline in high margin Mako bat revenues), as well as SG&A investments in Easton Baseball/Softball sales and marketing and IT infrastructure which were partially offset by a reduction in performance based incentives.

**Other Sports**

Revenues in our Other Sports segment in the three-month period ended November 30, 2015 increased by $0.6 million, or 5.2%, to $10.2 million due to 8.5% growth in lacrosse sales, which was driven by growth in the helmet category related to the prior year NOCSAE decertification of the lacrosse CASCADE R model helmet. Inaria soccer uniform sales decreased by 14.1% over the prior year, 4.8% excluding the impact of foreign exchange, and was driven by revenue declines in the U.S.

Other Sports segment EBITDA in the three-month period ended November 30, 2015 decreased by $0.5 million, or 35.5%, due primarily to a $0.9 million bad debt write-off related to outstanding receivables for a customer who continues to pay slowly and had caused concern over such customer's ability to continue to make timely payments and an increase in SG&A investments.

*Six months ended November 30, 2015 compared to six months ended November 30, 2014*

**Hockey**

Currency neutral Hockey revenues decreased by $20.5 million, or 7.5%, which was related to the timing and variation of product launches in ice hockey equipment, a 38.7% decline in performance apparel related to the prior year launch of 37.5™ apparel, economic contraction in Russia/Eastern Europe, and lower bookings/repeats due to retail consolidation of U.S. key accounts. Currency neutral Hockey revenues declined by 6.1% in North America, and 11.1% in the rest of the world. Including the impact of foreign exchange, reported Hockey revenues in the six-month period ended November 30, 2015 decreased by $44.4 million, or 16.2%.

Currency neutral Hockey segment EBITDA decreased by $1.1 million, or 2.2%, as a result of lower revenue and partially offset by cost reduction efforts in cost of goods sold and SG&A. Including the impact of foreign exchange, reported Hockey segment EBITDA in the six-month period ended November 30, 2015 decreased by $25.4 million, or 48.9%, to $26.5 million, driven by the significant impact of foreign exchange as well as the impacts described above.

**Baseball/Softball**

Baseball/Softball revenue in the six-month period ended November 30, 2015 increased by $1.5 million, or 1.8%, to $83.1 million due to a 1.5% increase in Easton Baseball/Softball revenues driven by double digit growth in Baseball/Softball accessories which offset the 8.0% decline in bats resulting from the prior year launch of two families of bats, compared to only one new family in the current year. Combat revenue increase of $0.6 million or 19.9% is driven by the launch of the new Maxum line of bats.

Baseball/Softball segment EBITDA in the six-month period ended November 30, 2015 decreased by $6.1 million, or 40.3%, to $9.1 million largely as a result of an approximately $3.0 million bad debt write-off related to outstanding receivables for an internet baseball retailer that filed for bankruptcy reorganization, lower gross margins due to unfavorable product mix in Easton Baseball/Softball (related to a decline in high margin Mako bat revenues), as well as SG&A investments in Easton Baseball/Softball sales and marketing and IT infrastructure which were partially offset by a reduction in performance based incentives.

**Other Sports**

Revenues in our Other Sports segment in the six-month period ended November 30, 2015 increased by $1.6 million, or 11.3%, to $15.6 million due to 12.9% growth in lacrosse sales, which was driven by continued strong growth in the Maverik line of heads and shafts, including the launch of the new Maverik CENTRIK head as well as strong helmet sales related to the prior year NOCSAE decertification of the lacrosse CASCADE R model helmet. Inaria soccer uniform sales also increased by 4.5% over the prior year, 11.7% excluding the impact of foreign exchange.

Other Sports segment EBITDA in the six-month period ended November 30, 2015 decreased by $0.1 million due primarily to a $0.9 million bad debt write-off related to outstanding receivables for a customer who continues to pay slowly and had caused concern over such customer's ability to continue to make timely payments, which was partially offset by higher revenues and gross margins.

For operating segments data, please refer to Note 14 of the Notes to Consolidated Financial Statements.

**Non-GAAP Financial Measures**

This quarterly report on Form 10-Q makes reference to certain non-GAAP measures. These non-GAAP measures are not recognized measures under U.S. GAAP and do not have a standardized meaning prescribed by U.S. GAAP. When used, these measures are defined in such terms as to allow the reconciliation to the closest U.S. GAAP measure. These measures are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those U.S. GAAP measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analyses of the Company's financial information reported under U.S. GAAP. We use non-GAAP measures, such as Adjusted Net Income/Loss, Adjusted EPS, Adjusted EBITDA, Segment EBITDA and Adjusted Gross Profit, to provide investors with a supplemental measure of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. We also use non-GAAP measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and to assess our ability to meet our future debt service, capital expenditure, and working capital requirements.

***Constant Currency***

The Company also presents certain information related to our current period results of operations in "constant currency", which is a non-GAAP financial measure and should be viewed as a supplement to our results of operations and presentation of reportable segments under U.S. GAAP. These amounts reflect the impact of translating the current period results at the monthly foreign exchange rates of the prior year period, the effect of changes in the value of the Canadian dollar against the U.S. dollar on our cost of goods purchased for sale outside of the United States including the related realized gains/losses on derivatives, and the realized gains/losses generated from revaluing non-functional currency assets and liabilities. The reported foreign exchange impact does not include the impact of fluctuations in Asian currencies against the U.S. dollar and their related effect on our Asian-sourced finished goods. Constant currency is used to enhance the visibility of the underlying business trends excluding the impact of foreign currency exchange rate fluctuations. We also use the terms "currency neutral" or "excluding the impact of foreign currency" to describe the constant currency impact. See "Factors Affecting Our Performance - Impact of Foreign Exchange and Hedging Practices" and "Results of Operations - Segment Results".

***Segment EBITDA***

The profitability of the Company's operating segments is evaluated using EBITDA adjusted for items excluded by the CODM. Certain PSG functional platform costs are directly allocated to each operating segment based on usage or other relevant operational metrics. PSG's functional platform costs consist of expenses incurred by centrally-managed functions, including global information systems, finance and legal, distribution and logistics, sourcing and manufacturing, and other miscellaneous costs. PSG corporate expenses, currency related gains (losses), acquisition related expenses and other costs are not controlled by the management at each operating segment and therefore are excluded from segment EBITDA. PSG corporate expenses consist of executive compensation and administration costs, public company costs, certain tax credits and other miscellaneous costs. See Note 11 - Segment Information in the accompanying Notes to Consolidated Financial Statements.

The relevant definition and reconciliation of each of Adjusted Gross Profit, Adjusted EBITDA, Adjusted Net Income/Loss, and Adjusted EPS used and presented by the Company to the most directly comparable U.S. GAAP measures follows below.

***Adjusted Gross Profit***

Adjusted Gross Profit is defined as gross profit plus the following expenses which are part of cost of goods sold: (i) amortization and depreciation of intangible assets, (ii) charges to cost of goods sold resulting from fair market value adjustments to inventory as a result of business acquisitions, (iii) reserves established to dispose of obsolete inventory acquired from acquisitions, and (iv) other one-time or non-cash items. We use Adjusted Gross Profit as a key performance measure to assess our core gross profit and as a supplemental measure to evaluate the overall operating performance of our cost of goods sold.

The table below provides the reconciliation of gross profit to Adjusted Gross Profit:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(millions of U.S. dollars)** | **November 30, 2015** | **November 30, 2014** | **November 30, 2015** | **November 30, 2014** |
| Gross profit | $ 45.7 | $ 55.9 | $ 98.4 | $ 119.9 |
| Amortization & depreciation of intangible assets [1] | 3.1 | 3.6 | 6.0 | 6.8 |
| Inventory step-up/step-down & reserves [2] | — | 0.9 | — | 7.1 |
| Other [3] | 1.8 | 1.8 | 1.8 | 1.8 |
| Adjusted Gross Profit | $ 50.6 | $ 62.2 | $ 106.2 | $ 135.6 |

(1) Upon completion of the purchase of the Bauer Hockey business from Nike, Inc. in 2008, the Maverik acquisition in 2010, the Cascade acquisition in June 2012, the Inaria acquisition in October 2012, the Combat acquisition in May 2013, and the Easton Baseball/Softball Acquisition in April 2014, the Company capitalized acquired intangible assets at fair market value. These intangible assets, in addition to other intangible assets subsequently acquired, are amortized over their useful life and we recognize the amortization as a non-cash cost of goods sold.

(2) Upon completion of the Easton Baseball/Softball Acquisition, the Company adjusted Easton Baseball/Softball's inventories to fair market value. Included in the three-and six-month periods ended November 30, 2014 are charges to cost of goods sold resulting from the fair market value adjustment to inventory.

(3) Other represents the impact of the closure of the Mississauga, Ontario distribution center in the three-and six-month periods ended November 30, 2015. In the three-and six-month periods ended November 30, 2014, other represents the impact of costs related to the lacrosse helmet decertification.

See "Factors Affecting our Performance - Impact of Foreign Exchange and Hedging Practices" for Adjusted Gross Profit in constant currency.

***Adjusted EBITDA***

Adjusted EBITDA is defined as net income adjusted for income tax expense, depreciation and amortization, losses related to amendments to the credit facilities, gain or loss on disposal of fixed assets, net interest expense, deferred financing fees, unrealized gains/losses on derivative instruments, and realized and unrealized gains/losses related to foreign exchange revaluation, and before restructuring and other one-time or non-cash charges associated with acquisitions, other one time or non-cash items, costs related to share offerings, as well as share-based payment expenses. We use Adjusted EBITDA as the key metric in assessing our business performance when we compare results to budgets, forecasts and prior years. Management believes Adjusted EBITDA is an important measure of operating performance and cash flow, and provides useful information to investors because it highlights trends in the business that may not otherwise be apparent when relying solely on U.S. GAAP measures, and eliminates items that have less bearing on operating performance and cash flow. It is an alternative to measure business performance to net income and operating income, and management believes Adjusted EBITDA is a better measure of cash flow generation than, for example, cash flow from operations, particularly because it removes cash flow fluctuations caused by extraordinary changes in working capital. Adjusted EBITDA is used by management in the assessment of business performance and used by our Board of Directors as well as our lenders in assessing management's performance. It is also the key metric in determining payments under incentive compensation plans.

The table below provides the reconciliation of net income (loss) to Adjusted EBITDA:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(millions of U.S. dollars)** | **November 30, 2015** | **November 30, 2014** | **November 30, 2015** | **November 30, 2014** |
| Net income (loss) | $ (4.5) | $ 1.0 | $ (8.9) | $ 11.8 |
| Income tax expense (benefit) | (1.1) | 1.2 | (0.5) | 5.7 |
| Depreciation & amortization | 5.7 | 5.6 | 10.9 | 10.7 |
| Interest expense, net | 4.8 | 4.1 | 9.1 | 8.9 |
| Deferred financing fees | 0.6 | 0.6 | 1.2 | 1.3 |
| Unrealized (gain)/loss on derivative instruments, net [1] | 0.7 | (0.6) | (1.4) | 0.9 |
| Foreign exchange (gain)/loss [1] | 1.2 | 5.1 | 8.3 | 7.1 |
| EBITDA | $ 7.4 | $ 17.0 | $ 18.7 | $ 46.4 |
| Acquisition Related Charges: | | | | |
| Inventory step-up/step-down & reserves [2] | — | 0.9 | — | 7.1 |
| Rebranding/integration costs [3] | 4.3 | 1.1 | 7.2 | 3.5 |
| Acquisition costs [4] | 0.3 | 0.9 | 1.9 | 1.0 |
| Subtotal | $ 4.6 | $ 2.9 | $ 9.1 | $ 11.6 |
| Costs related to share offerings [5] | — | — | — | 0.1 |
| Share-based payment expense | 1.4 | 1.6 | 2.1 | 3.3 |
| Other [6] | 1.9 | 2.5 | 2.0 | 2.5 |
| Adjusted EBITDA | $ 15.3 | $ 24.0 | $ 31.9 | $ 63.9 |

(1) The unrealized gain/loss on derivatives is the change in fair market value of the foreign currency forward contracts and interest rate contracts. The Company has not elected hedge accounting and therefore the changes in the fair value of these derivatives are recognized through profit or loss each reporting period. The foreign exchange gain/loss is the realized and unrealized gains and losses generated by the effect of foreign exchange on recorded assets and liabilities denominated in a currency different from the functional currency of the applicable entity are recorded in foreign exchange (gain) loss, as applicable, in the period in which they occur.

(2) Upon completion of the Easton Baseball/Softball Acquisition, the Company adjusted Easton Baseball/Softball's inventories to fair market value. Included in the three-and six-month periods ended November 30, 2014 are charges to cost of goods sold resulting from the fair market value adjustment to inventory.

(3) The rebranding/integration costs for the three-and six-month periods ended November 30, 2015 are associated with the integration of the Easton Baseball/Softball Acquisition, costs related to the Company's transition to a U.S. domestic issuer, integration costs related to the Own The Moment Hockey Experience retail stores, costs related to the proxy contest in October 2015, and costs related to the Company's profitability improvement initiative. The rebranding/integration costs for the three-and six-month periods ended November 30, 2014 are associated with the integration of the Inaria acquisition, Combat acquisition and the Easton Baseball/Softball Acquisition.

(4) Acquisition-related transaction costs include legal, audit, and other consulting costs. The three-and six-month periods ended November 30, 2015 include start-up costs related to the Own The Moment Hockey Experience retail stores. The three-and six-month periods ended November 30, 2014 include costs related to the Easton Baseball/Softball Acquisition. All periods presented include costs related to reviewing corporate opportunities.

(5) The costs related to share offerings in the six-month period ended November 30, 2014 include legal, audit, and other consulting costs incurred as part of the secondary offerings of Common Shares completed by funds managed by Kohlberg Management VI, LLC on October 17, 2012, February 6, 2013 and November 1, 2013, respectively (collectively the "Kohlberg Offerings").

(6) Other represents the impact of the closure of the Mississauga, Ontario distribution center in the three-and six-month periods ended November 30, 2015. In the three-and six-month periods ended November 30, 2014, other represents the impact of costs related to the lacrosse helmet decertification.

See "Factors Affecting our Performance - Impact of Foreign Exchange and Hedging Practices" for Adjusted EBITDA in constant currency.

***Adjusted Net Income/Loss and Adjusted EPS***

Adjusted Net Income/Loss is defined as net income adjusted for all unrealized gains/losses related to derivative instruments and unrealized gains/losses related to foreign exchange revaluation, non-cash or incremental charges associated with acquisitions, amortization of acquisition-related intangible assets for acquisitions since the IPO in Canada in March 2011, costs related to share offerings, share-based payment expense and other non-cash or one-time items. Adjusted EPS is defined as Adjusted Net Income/Loss divided by the weighted average diluted shares outstanding. We use Adjusted Net Income/Loss and Adjusted EPS as key metrics for assessing our operational business performance and to assist with the planning and forecasting for the future operating results of the underlying business of the Company. We believe Adjusted Net Income/Loss and Adjusted EPS are useful information to investors because they highlight trends in the business that may not otherwise be apparent when relying solely on U.S. GAAP measures.

The table below provides the reconciliation of net income (loss) to Adjusted Net Income/Loss and to Adjusted EPS:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(millions of U.S. dollars, except share and per share amounts)** | **November 30, 2015** | **November 30, 2014** | **November 30, 2015** | **November 30, 2014** |
| Net income (loss) | $ (4.5) | $ 1.0 | $ (8.9) | $ 11.8 |
| Foreign exchange loss / (gain) (1) | 2.8 | 3.7 | 7.9 | 6.7 |
| Costs related to share offerings (2) | — | — | — | 0.1 |
| Acquisition-related charges (3) | 7.3 | 6.2 | 14.6 | 18.0 |
| Share-based payment expense | 1.4 | 1.6 | 2.1 | 3.4 |
| Other (4) | 1.9 | 2.5 | 1.9 | 2.5 |
| Tax impact on above items | (3.0) | (3.7) | (5.8) | (9.3) |
| Adjusted Net Income (Loss) | $ 5.9 | $ 11.3 | $ 11.8 | $ 33.2 |
| Average diluted shares outstanding | 46,910,729 | 46,659,728 | 47,110,824 | 45,459,179 |
| Adjusted EPS | $ 0.13 | $ 0.24 | $ 0.25 | $ 0.73 |

(1) The foreign exchange loss/gain represents the unrealized gain/loss on derivatives and the unrealized portion of the foreign exchange gain/loss from the Adjusted EBITDA table. The unrealized portion of the foreign exchange gain/loss in the three-and six-month periods ended November 30, 2015 was a loss of $2.1 million and a loss of $9.1 million, respectively. The unrealized portion of the foreign exchange gain/loss in the three-and six-month periods ended November 30, 2014 was a loss of $4.4 million and a loss of $5.9 million, respectively.

(2) The costs related to share offerings in the six-month period ended November 30, 2014 include legal, audit, and other consulting costs incurred as part of the Kohlberg Offerings.

(3) Acquisition-related charges include rebranding/integration costs, and legal, audit, and other consulting costs associated with acquisition transactions. The three-and six-month periods ended November 30, 2015 include integration of the Easton Baseball/Softball Acquisition, costs related to the Company's transition to a U.S. domestic issuer, start-up and integration costs related to the Own The Moment Hockey Experience retail stores, costs related to the proxy contest in October 2015, and costs related to the Company's profitability improvement initiative. The three-and six-month periods ended November 30, 2014 include costs related to the Inaria acquisition, Combat acquisition and the Easton Baseball/Softball Acquisition. All periods presented include costs related to reviewing corporate opportunities. The charges also include amortization of intangible assets in the three-and six-month periods ended November 30, 2015 of $2.7 million and $5.5 million, respectively, and the three-and six-month periods ended November 30, 2014 of $3.3 million and $6.4 million, respectively. Also included are charges to cost of goods sold resulting from the fair market value adjustment to inventory in the three-and six-month periods ended November 30, 2014 of $0.9 million and $7.1 million, respectively.

(4) Other represents the impact of the closure of the Mississauga, Ontario distribution center in the three-and six-month periods ended November 30, 2015. In the three-and six-month periods ended November 30, 2014, other represents the impact of costs related to the lacrosse helmet decertification.

See "Factors Affecting our Performance - Impact of Foreign Exchange and Hedging Practices" for Adjusted Net Income (Loss) and Adjusted EPS in constant currency.

**Liquidity and Capital Resources**

***Cash Flows***

The primary sources of the Company's cash are net cash flows from operating activities and funds available under its New ABL Facility (as defined in the Company's Annual Report on Form 10-K). We believe that ongoing operations and associated cash flows, in addition to our cash resources and New ABL Facility, provide sufficient liquidity to support our business operations for at least the next 12 months. Furthermore, as of November 30, 2015, the Company held cash of $6.6 million, our working capital was $341.1 million, and we had availability of $66.5 million under the New ABL Facility, which provides further flexibility to meet any unanticipated cash requirements due to changes in working capital commitments or liquidity risks associated with financial instruments. Such changes may arise from, among other things, the seasonality of our business (see "Factors Affecting our Performance - Seasonality" and "Liquidity and Capital Resources"), the failure of one or more customers to pay their obligations (see Item 3, "Quantitative and Qualitative Disclosures About Market Risk") or from losses incurred on derivative instruments, such as foreign currency forwards and interest rate contracts (see "Factors Affecting our Performance - Interest Expense").

The following table summarizes our net cash flows provided by and used in operating, investing and financing activities:

| | Six Months Ended | |
|---|---|---|
| **(millions of U.S. dollars)** | **November 30, 2015** | **November 30, 2014** |
| Net cash flows from (used in) operating activities | $ (11.1) | $ (4.2) |
| Net cash flows from (used in) investing activities | (25.4) | (4.2) |
| Net cash flows from (used in) financing activities | 40.5 | 16.1 |
| Effect of exchange rate changes on cash | (0.3) | (0.3) |
| (Decrease) / increase in cash | 3.7 | 7.4 |
| Beginning cash | 2.9 | 6.9 |
| Ending cash | $ 6.6 | $ 14.3 |

*Net Cash From (Used In) Operating Activities*

Our largest source of operating cash flows is cash collections from the sale of inventory. Our primary cash outflows from operating activities are inventory purchases, personnel-related expenses, occupancy costs, payment of interest and payment of taxes. Net cash used in operating activities for the six-month period ended November 30, 2015 was $11.1 million, an increase of $6.9 million, compared to net cash used in operating activities of $4.2 million for the six-month period ended November 30, 2014, primarily driven by the following:

- $33.0 million lower source of cash due to a receivable collected from BRG Sports, Inc. (formerly Easton-Bell Sports, Inc.) in the six-month period ended November 30, 2014 which consisted of cash receipts from customers collected by BRG Sports, Inc. during the period April 15, 2014 through May 31, 2014 that were owed to the Company as of May 31, 2014;
- $6.4 million lower source of cash from accounts payable related to the timing of payments for inventory purchases;
- $22.1 million higher use of cash as a result of lower cash earnings; *partially offset by*
- $42.7 million higher source of cash from accounts receivable due to an increase in payments received for receivables; and
- $13.1 million higher source of cash from inventory driven by the Company's cash flow improvement initiative that is targeting an improvement in net cash flow from working capital of $30 million in Fiscal 2016 (excluding certain non-recurring costs or one-time costs that may be required to implement some of the related initiatives).

*Net Cash From (Used In) Investing Activities*

Our cash outflows used in investing activities are primarily for acquisitions and the purchase of property, plant and equipment and intangible assets. Net cash used in investing activities for the six-month period ended November 30, 2015 was

$25.4 million, an increase of $21.2 million, compared to net cash used of $4.2 million for the six-month period ended November 30, 2014, primarily due to the following:

- $7.2 million of higher cash outflow related to the purchase of property, plant and equipment;
- $4.3 million of higher cash outflow related to the acquisition in certain exclusive and perpetual licensing rights in technology assets from Q30 Sports, LLC, a privately held entity and a purchase of a non-controlling interest in Q30 Sports Science, LLC, a privately held entity and parent of Q30 Sports, LLC;
- $4.0 million of higher cash outflow related to an increase in restricted cash in connection with the Company's acquisition of technology assets from Q30 Sports, LLC; and
- $5.0 million of higher cash outflow related to the purchase of a non-controlling interest in Cocona, Inc., a privately held entity that created and owns 37.5™ technology, a patented moisture management technology that utilizes body heat to evaporate moisture from apparel and equipment.

*Net Cash From (Used In) Financing Activities*

Our cash flows from financing activities consist primarily of proceeds from and repayment of debt, proceeds from the issuance of Common Shares and share issuances under stock option plans. Net cash from financing activities for the six-month period ended November 30, 2015 was $40.5 million, an increase of $24.4 million, compared to net cash from financing activities of $16.1 million for the six-month period ended November 30, 2014, primarily due to the following:

- $22.9 million increase in net cash inflow related to the net movement in revolving debt;
- $119.6 million increase in net cash inflow related to repayment of debt in the six-month period ended November 30, 2014; *partially offset by*
- $117.0 million decrease in net cash inflow related to the net proceeds of the U.S. Initial Public Offering ("U.S. IPO") in the six-month period ended November 30, 2014.

***Indebtedness***

*Credit Facilities*

At April 15, 2014, the Company entered into the New Term Loan Facility and the Company and certain of its subsidiaries entered into the New ABL Facility. The New Term Loan Facility and the New ABL Facility (referred to herein together as the "Credit Facilities") replaced the Company's existing credit facilities. The New Term Loan Facility is an amortizing term credit facility in the principal amount of $450 million U.S. dollars and matures on April 15, 2021. The New ABL Facility is a revolving, non-amortizing asset-based credit facility in an amount equal to the lesser of $200 million U.S. dollars (or the Canadian dollar equivalent thereof) and the Borrowing Base (as defined herein). The New ABL Facility matures on April 15, 2019.

The borrowing base (the "Borrowing Base") equals the sum of the Canadian Borrowing Base (as defined herein) and the U.S. Borrowing Base (as defined herein). The "Canadian Borrowing Base" means, subject to customary reserves and eligibility criteria, the sum of: (a) 85% of the Canadian ABL Borrowers' eligible accounts receivable; plus (b) the lesser of 70% of the cost (valued on a first in, first out basis) of the Canadian ABL Borrowers' eligible inventory, or 85% of the appraised net orderly liquidation value of the Canadian ABL Borrowers' eligible inventory. The "U.S. Borrowing Base" means, subject to customary reserves and eligibility criteria, the sum of: (a) 85% of the U.S. ABL Borrowers' eligible accounts receivable; plus (b) the lesser of 70% of the cost (valued on a first in, first out basis) of the U.S. ABL Borrowers' eligible inventory, or 85% of the appraised net orderly liquidation value of the U.S. ABL Borrowers' eligible inventory.

As of November 30, 2015, $330.5 million was drawn under the New Term Loan Facility and $132.1 million was drawn under the New ABL Facility. Following completion of the U.S. IPO on June 25, 2014, the Company used the net proceeds of the U.S. IPO and repaid approximately $119.5 million under the New Term Loan Facility. The repayment was first applied against the outstanding amortization payments and as such no further amortization payments are due for the life of the facility.

The interest rate on the Credit Facilities for the six-month period ended November 30, 2015 ranged from 1.93% to 4.50%. As of November 30, 2015, there are four letters of credit totaling $1.4 million outstanding under the New ABL Facility.

*Leverage Ratio*

The Credit Facilities define Leverage Ratio as Net Indebtedness divided by EBITDA, as described in this paragraph, for the most recent four fiscal quarter period for which financials have been delivered. Net Indebtedness includes such items as the Company's term loan, capital lease obligations, subordinated indebtedness, and average revolving loans for the last 12 months as of the reporting date, less the average amount of cash for the last 12 months as of the reporting date. EBITDA is defined in the Credit Facilities as consolidated net income/(loss) for the applicable period; plus, among other things, interest expense, provision for taxes, depreciation and amortization expense, share-based payment expense, certain fees, costs, and expenses incurred in connection with corporate transactions, certain restructuring charges or reserves and business optimization expenses and the pro forma amount of certain projected savings, improvements and synergies projected to be realized by the Borrower from certain transactions and operational changes, in each case incurred within the applicable period. The amount of restructuring charges or reserves and business optimization expenses together with the pro forma amount of certain projected savings, improvements and synergies costs added back to EBITDA shall not exceed an amount equal to 15% of EBITDA for the applicable four fiscal quarter period.

The following table depicts the Company's Leverage Ratio:

| | As of November 30, 2015 [1] [2] | As of August 31, 2015 | As of May 31, 2015 | As of February 28, 2015 | As of November 30, 2014 | As of August 31, 2014 |
|---|---|---|---|---|---|---|
| Leverage Ratio | 6.61 | 5.73 | 4.29 | 3.87 | 3.62 | 3.61 |

(1) Using the definition of EBITDA per the Credit Facilities, as described above, the Leverage Ratio was 7.79.
(2) Excluding the impact of foreign exchange on the Company's trailing twelve month EBITDA, the Leverage Ratio was 4.35.

**Off-Balance Sheet Arrangements**

We enter into agreements with our manufacturing partners on tooling requirements for our manufactured products. These agreements form an important part of the Company's supply chain strategy and cash flow management. The following table summarizes our vendor tooling commitments as of November 30, 2015 and Fiscal 2016:

**(millions of U.S. dollars)**

| Vendor | Tooling acquisition value | Cost paid | Owed amounts as of November 30, 2015 | Open purchase orders amortization value | Outstanding liability Fiscal 2016 |
|---|---|---|---|---|---|
| Supplier A | $ 7.3 | $ 5.8 | $ 1.5 | $ 0.2 | $ 1.3 |
| Supplier B | 7.3 | 6.0 | 1.3 | 0.1 | 1.2 |
| Supplier C | 1.6 | 0.8 | 0.8 | 0.1 | 0.7 |
| Supplier D | 0.6 | 0.7 | (0.1) | — | — |
| Supplier E | 0.9 | 0.5 | 0.4 | 0.1 | 0.3 |
| Supplier F | 0.2 | 0.2 | — | — | — |
| Supplier G | 0.1 | 0.1 | — | — | — |
| Supplier H | 0.1 | — | 0.1 | — | 0.1 |
| Total | $ 18.1 | $ 14.1 | $ 4.0 | $ 0.5 | $ 3.6 |

**Capital Expenditures**

In the three-month period ended November 30, 2015 and the three-month period ended November 30, 2014, we incurred capital expenditures of $7.3 million and $2.9 million, respectively. In the six-month period ended November 30, 2015 and the six-month period ended November 30, 2014, we incurred capital expenditures of $12.1 million and $4.9 million, respectively. As a percentage of revenues, our capital expenditures for the trailing twelve-months ended November 30, 2015 were 4.0% of revenues, compared to 1.5% of revenues for the trailing twelve-months ended November 30, 2014. The capital investments were incurred for information systems to assist in streamlining our growing organization, investments related to the Own The Moment Hockey Experience retail stores, leasehold improvements related to the Thousand Oaks, California Easton Baseball/Softball facility, tooling,

R&D and investments in retail marketing assets. The year-over-year increase is driven by investments related to the Own The Moment Hockey Experience retail stores, higher investments in information systems, leasehold improvements related to the Blainville, Quebec research, design and development facility and the Thousand Oaks, California Easton Baseball/Softball facility, and the addition of Easton Baseball/Softball, as compared to the prior year. Our ordinary course of operations requires minimal capital expenditures for equipment, given that we manufacture most of our products through our manufacturing partners. Going forward, to support our growth and key business initiatives, we currently anticipate the levels of capital expenditures to remain higher, and quarterly levels may be uneven, as we continue to invest in information systems, Own The Moment Hockey Experience retail stores, and the Thousand Oaks, California Easton Baseball/Softball facility.

**Contractual Obligations**

The following table summarizes our contractual obligations as of November 30, 2015 and the effect such obligations are expected to have on our liquidity and cash flows in future periods:

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| **(millions of U.S. dollars)** | **Total** | **Less Than 1 Year** | **1 - 3 Years** | **3 - 5 Years** | **More Than 5 Years** |
| Operating lease obligations [1] | $ 25.3 | $ 4.6 | $ 6.1 | $ 4.1 | $ 10.5 |
| Financing and capital lease obligations [1] | 19.8 | 1.7 | 3.4 | 3.4 | 11.3 |
| Endorsement contracts [2] | 21.5 | 9.2 | 8.9 | 2.0 | 1.4 |
| Long-term borrowings: [3] | | | | | |
| New ABL Facility | 132.1 | 132.1 | — | — | — |
| New Term Loan Facility due 2021 | 330.5 | — | — | — | 330.5 |
| Interest payment obligations | 81.7 | 15.2 | 30.4 | 30.4 | 5.7 |
| Inventory purchases [4] | 70.4 | 70.4 | — | — | — |
| Non-inventory purchases [5] | 6.9 | 6.6 | 0.2 | 0.1 | — |
| Total | $ 688.2 | $ 239.8 | $ 49.0 | $ 40.0 | $ 359.4 |

(1) Future operating lease obligations are not recognized in our unaudited consolidated balance sheets. The operating lease obligations for buildings and equipment expire at various dates through the fiscal year ended May 31, 2026. The financing and capital lease obligations for buildings expire at various dates through the fiscal year ended May 31, 2030. Certain of the operating and capital leases contain renewal clauses for the extension of the lease for one or more renewal periods.

(2) The amounts listed for endorsement contracts represent approximate amounts of base compensation and minimum guaranteed royalty fees the Company is obligated to pay athletes, sports teams, and other endorsers of the Company's products. Actual payments under some contracts may be higher than the amounts listed as these contracts provide for bonuses to be paid to the endorsers based upon certain achievements and/or royalties on product sales in future periods. Actual payments under some contracts may also be lower as these contracts include provisions for reduced payments if certain performance criteria are not met. In addition to the cash payments, the Company is obligated to furnish the endorsers with products for their use. It is not possible to determine how much the Company will spend on this product on an annual basis as the contracts do not stipulate a specific amount of cash to be spent on the product. The amount of product provided to the endorsers will depend on many factors including general playing conditions, the number of sporting events in which they participate, and the Company's decisions regarding product and marketing initiatives. In addition, the costs to design, develop, source, and purchase the products furnished to the endorsers are incurred over a period of time and are not necessarily tracked separately from similar costs incurred for products sold to customers.

(3) The New ABL Facility and the New Term Loan Facility due 2021 amounts represent principal payments on outstanding debt. The interest payment obligations represent interest payments on the term loan due 2021. Estimates of interest payments are based on outstanding principal amounts, currently effective interest rates as of November 30, 2015, and the term of the debt obligation. The interest payment obligations exclude expected interest payments on our revolving loan, which can fluctuate based on the amount of outstanding borrowings in any given period. For more information, please refer to the "Indebtedness" section.

(4) Inventory purchase obligations include various commitments in the ordinary course of business that would include the purchase of goods that are not recognized in our unaudited consolidated balance sheets.

(5) Non-inventory purchase obligations include other binding commitments for the expenditure of funds that are not recognized in our unaudited consolidated balance sheets, including (i) capital expenditures for approved projects, and (ii) amounts related to contracts not involving the purchase of inventories, such as the non-cancelable portion of service or maintenance agreements for management information systems.

**Contingencies**

In connection with the purchase of Bauer Hockey from Nike, Inc. on April 16, 2008 (the "Business Purchase"), a subsidiary of Kohlberg Sports Group Inc., a Cayman Island corporation ("KSGI"), agreed to pay additional consideration to Nike, Inc. ("Nike") in future periods based upon the attainment of a qualifying exit event. As of November 30, 2015, the maximum potential future consideration pursuant to such arrangements, to be resolved on or before April 16, 2016, such date being the eighth anniversary of April 16, 2008, is $10.0 million. As a condition to the acquisition in connection with our initial public offering in Canada in March 2011, the former securityholders of KSGI, who sold KSGI and its subsidiaries to the Company on March 10, 2011 pursuant to the acquisition agreement dated March 3, 2011 (the "Existing Holders"), entered into a reimbursement agreement

with the Company pursuant to which each of the Existing Holders agreed to reimburse the Company, on a *pro rata* basis, in the event that the Company or any of its subsidiaries are obligated to make such a payment to Nike.

The Company previously entered into employment agreements with the former owners of Inaria in connection with the closing of the acquisition of Inaria. Included in the employment agreements are yearly performance bonuses payable in the event Inaria achieves gross profit targets in the period one to four years following the closing date, such date being October 16, 2012. These amounts, if any, will be accrued over the required service period. As of November 30, 2015, the potential undiscounted amount of the future payments that the Company could be required to make is between $0 and $0.9 million Canadian dollars.

In addition to the matters above, during the ordinary course of its business, the Company is involved in various legal proceedings involving contractual and employment relationships, product liability claims, trademark rights and a variety of other matters. The Company does not believe there are any pending legal proceedings that will have a material adverse impact on the Company's financial position or results of operations.

**Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

We believe that the estimates, assumptions and judgments involved in the accounting policies described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our Annual Report on Form 10-K have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. Actual results could differ from the estimates we use in applying our critical accounting policies. We are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

**New Accounting Pronouncements**

See Item 1 of Part I, "Financial Information - Notes to Consolidated Financial Statements - Significant Accounting Policies - Recent Accounting Pronouncements".

## Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of November 30, 2015, there have been no material changes from the information previously reported under Part II, Item 7A. in the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2015. See "Factors Affecting Our Performance - Impact of Foreign Exchange and Hedging Practices" for more information.

## Item 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of the end of the period covered by this quarterly report on Form 10-Q.

As required by Rule 13a-15(d) under the Exchange Act, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to determine whether any changes occurred during the quarter covered by this quarterly report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there have been no such changes during the quarter covered by this quarterly report on Form 10-Q.

## PART II - OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

As of November 30, 2015, there have been no material developments with respect to the information previously reported under Part I, Item 3 of our Annual Report on Form 10-K for the fiscal year ended May 31, 2015.

### Item 1A. RISK FACTORS

As of November 30, 2015, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended May 31, 2015, and in Part II, Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2015.

### Item 6. EXHIBITS

The following exhibits are filed as part of this quarterly report on Form 10-Q:

| Exhibit Number | Description |
|---|---|
| 10.1 | Offer Letter to Amir Rosenthal, dated May 26, 2015 and effective June 1, 2015. |
| 10.2 | Amended and Restated Employment Agreement between Bauer Hockey, Inc. and Matt Smith, effective as of March 9, 2011. |
| 10.3 | Offer Letter to Matt Smith, dated November 30, 2015 and effective as of December 3, 2015. |
| 10.4 | Amended and Restated Employment Agreement between Bauer Hockey, Inc. and Mark Vendetti, effective as of December 14, 2015. |
| 10.5 | Form of Deferred Stock Unit Award Agreement (for U.S. directors) for grants under the Omnibus Equity Incentive Plan. |
| 10.6 | Form of Deferred Stock Unit Award Agreement (for Canadian directors) for grants under the Omnibus Equity Incentive Plan. |
| 10.7 | Form of Restricted Stock Unit Award Agreement for grants under the Omnibus Equity Incentive Plan. |
| 10.8 | Form of Nonqualified Stock Option Award Agreement for grants under the Omnibus Equity Incentive Plan. |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the Company’s quarterly report on Form 10-Q for the three-month period ended November 30, 2015. |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the Company’s quarterly report on Form 10-Q for the three-month period ended November 30, 2015. |
| 32.1 | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Company’s quarterly report on Form 10-Q for the three-month period ended November 30, 2015. |
| 32.2 | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Company’s quarterly report on Form 10-Q for the three-month period ended November 30, 2015. |

**SIGNATURES**

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

**PERFORMANCE SPORTS GROUP LTD.**

Dated: January 13, 2016

By: /s/ Mark Vendetti
Mark Vendetti
Executive Vice President/Chief Financial Officer

**EXHIBIT INDEX**

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PERFORMANCE
SPORTS GROUP

**EXHIBIT**

**10.1**
May 26, 2015

Amir Rosenthal

***Via Hand Delivery***

Dear Amir,

It is my pleasure to offer you the position of President, PSG Brands, for the Performance Sports Group Ltd. ("the Company") effective June 1, 2015. This offer supersedes all previous discussions. The key elements of our job offer are as follows:

1. Employment: You will assume the position of President, PSG Brands, commencing on June 1, 2015. In this role, you will report directly to Chief Executive Officer of the Company. This role is based in our Exeter, New Hampshire corporate office.

2. Compensation: Your starting annual base salary will be $475,000.00 (paid in biweekly payments of $18,269.23 less taxes and withholdings) subject to annual review for discretionary merit increases based on your performance.

3. Annual Bonus: Your annual bonus target remains at 75%.

4. Long Term Incentive Plan: As you know, the Long Term Incentive Plan ("the Plan") is currently under review and discussion with the Compensation Committee, and once finalized, will be presented to Shareholders for approval at the Annual General Meeting in October 2015. You will be eligible to participate in the Plan once it has been approved.

This letter is intended to cover the key points of the offer. All other terms and conditions of your Employment Agreement (attached) remain in full force and effect.

If you agree with the written terms, please indicate your acceptance of this offer by signing below and returning to me.

Amir, I'm looking forward to your continued leadership in this new role!

Sincerely,

/s/ Kevin Davis

Kevin Davis
Chief Executive Officer

PERFORMANCE
SPORTS GROUP

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I accept and agree to the terms of the above offer of employment.

/s/ Amir Rosenthal

Amir Rosenthal

Date: June 1, 2015

**Exhibit 10.2**

EXECUTION COPY

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Matt Smith (the "Executive"), effective as of March 9, 2011 (the "Effective Date").

WHEREAS, the Executive is presently employed as the Vice President, Global Marketing of the Company; and

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to continue to provide services to the Company, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Vice President, Global Marketing or in such other position as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if requested by the Board of Directors of the Company (the "Board") or the CEO.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company and its Affiliates consistent with his positions with the Company and its Affiliates and as may be designated from time to time by the Board or the CEO.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this Agreement, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the terms and conditions of this Agreement:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $220,500 per annum, payable in accordance with

the normal payroll practices of the Company for its executives and subject to increase (but not decrease) pursuant to Section 13and otherwise from time to time by the Board, in its discretion.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% of the Base Salary payable to him for the applicable fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee") in consultation with the Executive, and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date.

(c) Equity Based Awards. The parties acknowledge that the Executive presently holds options to acquire shares of Kohlberg Sports Group. In connection with the reorganization transactions undertaken in contemplation of the initial public offering of common shares of BPS, those options (the "Outstanding Options") will be fully vested and converted into options to acquire shares of BPS (the "Rollover Options") as of the Effective Date. The Rollover Options will be subject to the terms and conditions of the Bauer Performance Sports Ltd. Rollover Stock Option Plan (the "Rollover Plan") and the award agreement governing Rollover Options to be entered into between BPS and the Executive. Effective on or about the Effective Date, the Executive shall be granted additional options (the "IPO Awards") to acquire common shares of BPS under the Bauer Performance Sports Ltd. 2011Stock Option Plan (the "2011 Plan"), and during the Term the Executive shall be eligible to receive additional awards thereunder. The terms and conditions of the IPO Awards and any other such awards shall be as set forth in the 2011 Plan and award agreements entered into between BPS and the Executive.

(d) Paid Time-Off. During the Term, the Executive shall be entitled to *5* weeks of paid time-off per annum in accordance with the Company• s paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(e) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be eligible to participate in employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are in a category of benefit otherwise provided to the Executive. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 21 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Tern may be terminated under the circumstances set forth in subsections (a) through (g) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 21 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of his death, the Company shall pay or provide to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of his termination of employment (the "Prior Year Bonus"); (iii) a pro-rated Annual Bonus for the fiscal year in which his termination of employment occurs, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"); (iv) any unreimbursed business expenses and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in a lump-sum within thirty (30) days after the date of death. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination

by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days after the date of termination of employment; each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause (as hereinafter defined) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, but in no event later than ninety (90) days following the date upon which at least two members of the Board (other than the Executive) became aware of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute "Cause" for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company and its Affiliates which remains uncured fifteen (15) business days after written notice of such failure specifying in reasonable detail the nature of such failure or negligence is given to the Executive by the Board;

(iii) The Executive's intentional material breach of any of the terms of this Agreement or breach of his fiduciary duties to the Company and Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation) which remains uncured fifteen (15) business days after written notice of such breach, specifying in reasonable detail the nature of such breach, is given to the Executive by the Board; or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder, other than for payment of

(i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) continue to provide medical and dental benefits during the Continuation Period (subject to any employee contribution applicable to active employees generally and the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to him under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the Executive's termination of employment; (v) pay the Executive the Prior Year Bonus; and (vi) continue to provide the Executive the Annual Bonus for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on actual performance for the full fiscal year, pro-rated as though the Executive remained employed through the last day of the Continuation Period (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as hereinafter defined) at any time upon notice to the Company setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason: from the Executive to the Board. The following shall constitute "Good Reason":

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof or as a result of the diminution of the business of the Company; provided, however, that a change in reporting relationships resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary, Annual Bonus and benefits in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by at least fifty (50) miles.

In the event of termination in accordance with this Section 4(e). the Company shall have no further obligation or liability to the Executive, other than to pay or provide the Executive (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in a lump sum within thirty (30) days following the date of the termination of employment. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this
Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the
Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). In the event of termination of employment pursuant to this Section 4(f), the Company shall pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in a lump-sum within thirty (30) days following the date of the termination of employment. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable BPS equity plan and the Executive's equity agreements.

(g) Termination of Employment in Connection with a Change of Control. If the Executive's employment is terminated by the Company without Cause or the Executive terminates his employment for Good Reason, in each case, nine months prior to, or within twelve
(12) months following, the consummation of a "Change of Control" (as defined in the 2011 Plan), the Executive shall be entitled to the payments and benefits set forth in Section 4(d) or (e), as applicable; provided that the Continuation Period as used in this Agreement shall be twenty four (24) months.

5. Release: Effect of Termination. The provisions of this Section *5* shall apply to a termination pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations to pay the Severance Benefit and other payments under each of Sections 4(d), (e), (f) and (g) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims") within fifty-five (55) days following the Executive's termination of employment (the "Release Condition"). (For the avoidance of doubt, the Release of Claims must be executed and delivered to the Company (and not subsequently be revoked) not later than forty-seven (47) days following the termination of employment in order to comply with the preceding sentence.) Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined

below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 21 below) provided that the

Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, he shall not receive the Severance Benefit or any other payment to which he may otherwise be entitled under this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, his rights to benefits and payments under any retirement, health or welfare employee benefits plan, under BPS equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that the Executive shall not be entitled to severance or termination pay under such benefit plan of the Company or any Affiliate in connection with termination of his employment.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable fully to accomplish the purposes of such provision, including without limitation the obligations of the Executive under Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations under Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, no compensation is earned after termination of employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a BPS equity plan. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time his

employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such

documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements between himself and the Company.

7. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, the grant of stock options hereunder, the Executive agrees that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following his termination of employment or, if later, the last day of the Continuation Period (whichever applies, the "Non-Competition Period"), the Executive shall not, whether as owner, partner, investor, consultant, agent, employee, co venturer or otherwise, compete in any material manner with the Company or any of its Affiliates in the Business anywhere in the United States, Canada or Europe; provided that the Executive shall be permitted to own, as a passive investor, not more than*5%* of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada or Europe through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of the Company or any of its Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates, (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel, and (iii) any other line of business in which the Company or any of its Affiliates is engaged, or has taken significant steps in connection with the preparation of engaging, in any material way, as of the Executive's termination of employment.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to such date has been ) an employee of the Company or any of its Affiliates, assist in such hiring by any Person, encourage any such employee to terminate his or her relationship with the Company or any of its Affiliates, or solicit or encourage any Person which is (or within the six months prior to such date has been ) a customer or vendor of the Company or any of its Affiliates to terminate its relationship with them, or, in the case of a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of *its* Affiliates.

The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or *its* Affiliates including, without limitation, their products, services, management, shareholders, employees and customers. The Company further agrees that during the Non-Competition Period it will instruct its employees not to make false, misleading or disparaging statements about the Executive.

9. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 11 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest. For the avoidance of doubt, Affiliates does not

include any unrelated Kohlberg portfolio companies that are not directly or indirectly subsidiaries of BPS.

(b) "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known at such time by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its Affiliates would assist in competition against them Confidential Information includes without limitation such information relating to (i)

the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the existence and nature of those relationships. Confidential Information also includes comparable information that the Company or any of its Affiliates has received belonging to others or which was received by the Company or any of its Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Increase in Base Salary upon Certain Relocations In the event the Company relocates its corporate headquarters outside the State of New Hampshire, the rate of Base Salary payable to the Executive shall be subject to a one-time increase in an amount equal to the sum of (i) the product of (A) the rate of Base Salary in effect immediately prior to such relocation multiplied by (B) the additional income taxes payable by the Executive (exclusive of any taxes imposed by Section 409A of the Code) on the amount determined in clause (A), calculated at the highest effective marginal combined rate of U.S. state and local personal income tax then in effect in the city and state to which the Company relocates, and (ii) an additional amount

(intended to "gross-up" the Executive) equal to the additional federal, state and local income taxes (measured on a combined basis) payable by the Executive under U.S. law in respect of the amount payable to him under Section 13(i); provided, however, that the Executive will only be entitled to the Base Salary increase contemplated in this Section 13 if, as of immediately prior to such relocation of the corporate headquarters, the Executive's primary residence for purposes of U.S. federal taxes had been the State of New Hampshire for a continuous period of longer than twelve (12) months.

14. Parachute Payments

(a) This Section 14 shall apply only in the case of a Statutory Change in Control (as defined below) occurring after the initial public offering of shares of BPS, and at a time when the Company or BPS has stock which is readily tradable on an established securities market or otherwise"(within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 14 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments, calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 14 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of

the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the

Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of his receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 14(c) that such Underpayment is due.

15. · Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, BPS and their respective Affiliates, including, without limitation, the Employment Agreement entered into between the Company (f/k/a NIKE Bauer Hockey U.S.A., Inc.) and the Executive dated as of May 22, 2008 (the "Prior Agreement"). The Prior Agreement shall govern the terms and conditions of the Executive's employment with the Company and any termination thereof unless and until the Effective Date shall occur.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service "as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ l.409A-l(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-l through A-6. To the extent an annual bonus is

payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which the bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-l(b)(9)(v)(A) or (C) (relating to certain reimbursements and in kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service “occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive' s "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit (including tax return preparation fees and expenses described in Section 22(e)), in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

22. Tax Equalization

(a) During the Term of this Agreement and thereafter as provided in this Section 22, and provided that at all such times the Executive is a U.S. resident and not a Canadian resident for Canadian. federal income tax purposes, the Company will make an additional payment (the “Tax Equalization Payment") to the Executive in accordance with this Section 22, so that that the Executive does not materially suffer a loss by reason of any income and employment taxes that may be imposed on that portion, if any, of his Compensation (as defined below) which is taxable to the Executive under Canadian law as income from an office or employment performed by the Executive in Canada.

(b) The amount of any Tax Equalization Payment payable under this Section with respect to a taxable year of the Executive will equal the amount (the "Excess Tax"), if any, by which the Executive's combined aggregate U.S. federal, national, state and local actual income and employment tax liability , exclusive of any taxes under Section 409A or Section 4999 of the Code, and Canadian federal and provincial actual income and employment tax liability in respect of such year (the "Actual Tax Liability") on the Executive's Base Salary, Annual Bonus and the amount of income recognized upon the Executive's exercise of the Rollover Options, the IPO Awards or other stock options granted under the 2011Plan

(collectively, the "BPS Options", and together with Base Sa1ary and Annual Bonus, the "Compensation") exceeds the amount of aggregate U.S. federal, state and local income and employment tax liability, exclusive of any taxes under Section 409A or Section 4999 of the Code, that would have been payable by the Executive for such year with respect to the Compensation if the

Executive had performed all services hereunder for the Company and BPS and their Affiliates entirely within the United States in the state in which the Company's corporate headquarters are located at all relevant times such that all Compensation were treated entirely as U.S. source income by both the U.S. and Canada, and as if that were the only income earned by the Executive (the "Hypothetical Tax Liability"), plus an additional payment to gross up the Executive for his additional actual income and employment tax liability (on a combined federal, national, state, provincial and local basis) on the amount of any such Excess Tax. The Company shall make all determinations of the amount of Compensation, Hypothetical Tax Liability, Excess Tax, Actual Tax Liability and Tax Equalization Payment in accordance with this Section 22.

(c) Notwithstanding this Section 22 or any other provision of this Agreement, the Executive shall pay and be solely responsible for payment of all taxes imposed under U.S., Canadian and any other federal, national, provincial, state and local law on the Compensation and all other payments or benefits paid or provided to the Executive by the Company or any of its Affiliates during the Term of this Agreement and thereafter.

(d) The Tax Equalization Payment payable in respect of a taxable year of the Executive shall be paid during the following taxable year of the Executive.

(e) The Company shall pay the Executive's designated tax return preparer selected by the Executive and reasonably acceptable to the Company directly for the preparation of any Canadian tax returns required to be filed with respect to the Compensation for all tax periods of the Executive beginning or ending during the Term of this Agreement and through and including the date of exercise of any BPS Options, including all amendments to such returns, as well as costs related to audits of such returns and related amendments. The Executive will be solely responsible for the payment of any tax return preparer fees and expenses for the preparation of his federal, state and local U.S. tax returns. The Company and the Executive will provide each other access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the other in connection with this Section 22, and otherwise cooperate with each other and their respective tax return preparers in connection with the determinations and all matters contemplated by this Section 22.

(f) All income tax returns to be filed by the Executive will be prepared on a basis consistent with the determinations of the Executive's and the Company's tax return preparers and this Section 22, and the Executive agrees that the Company shall have the right to review and approve all income tax returns (and amendments) to be filed by the Executive with respect to any taxable year covered by this Section 22 before the Executive files any such return with the relevant taxing authority. If the Company objects to any item in any such tax return the Company shall promptly notify the Executive and his tax return preparer of such item and the basis for such objection. The Company and the Executive shall act in good faith to resolve any disagreement between them prior to the date on which the relevant return is required to be filed under applicable law.

(g) The Executive and the Company agree that the Tax Equalization Payments are not intended to represent additional compensation to the Executive. Any Tax Equalization Payment will not be considered as additional Base Salary hereunder or taken into account as salary for purposes of the Annual Bonus Plan or any other benefit plan of the Company except as the terms of such plan may expressly provide otherwise.

23. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

25. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

26. Dollar Amounts.· All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

MATT SMITH BAUER HOCKEY, INC.

By: /s/ Matt Smith By: /s/ Kevin Davis

Title: Chief Executive Officer

EXHIBIT A

RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Amended and Restated Employment Agreement (the "Employment Agreement") effective as of ___, by and between [ ] ("Executive") and Bauer Hockey, Inc., a Vermont corporation (the "Company"), to which Executive agrees Executive is not entitled until and unless he executes this Release, Executive, for and on behalf of himself and his heirs and assigns, subject to the last sentence of this Section l, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releases") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that he intends to waive and release any rights known or unknown that he may have against the Releases under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include:(i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (g) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that he may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability insurance or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that he has not filed any complaint, charge, claim or proceeding, if any, against any of the Releases before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that he is not aware of any basis on

which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that he will not initiate or cause to be initiated on his behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC"). Further, Executive understands that, by executing this Release, he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Releases.

Notwithstanding the above, nothing in Section 1of this Release shall prevent Executive from (i) initiating or causing to be initiated on his behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of his claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that he has twenty-one (21) days from the date of receipt of this Release to consider all the provisions of this Release and he does hereby knowingly and voluntarily waive said given twenty-one (21) day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY TIIE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTAND S THAT BY SIGNING BELOW HE IS GIVING UP CERTAIN RIGHTS WHICH HE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT HE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of his execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight (8) day period, consistent with the terms of the Employment Agreement. If Executive revokes this Release, Executive will be deemed not to have accepted the terms of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releases to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releases.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE Matt Smith

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, his heirs, assigns, executors, administrators and representatives, and all others connected with him, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against him that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE Name:

Title:

PERFORMANCE
SPORTS GROUP

**EXHIBIT 10.3**

November 30, 2015

Matthew Smith

***Via Hand Delivery***

Dear Matt,

It is my pleasure to offer you the position of EVP Marketing, PSG, effective December 3, 2015. This offer supersedes all previous discussions. The key elements of our job offer are as follows:

1. Employment: You will assume the position of EVP Marketing, PSG. In this role, you will report directly to Amir Rosenthal, President PSG Brands. This role is based in our Exeter, New Hampshire corporate office.

2. Compensation: Your starting annual base salary will be $290,000.00 (paid in biweekly payments of $11,153.85 less taxes and withholdings) subject to annual review for discretionary merit increases based on your performance.

3. Annual Bonus: Your annual bonus target remains at 65%.

4. Long Term Incentive Plan: You will continue to be eligible to participate in the Long Term Incentive Plan.

This letter is intended to cover the key points of the offer. All other terms and conditions of your Employment Agreement (attached) remain in full force and effect.

If you agree with the written terms, please indicate your acceptance of this offer by signing below and returning to me.

Matt, I'm looking forward to your continued leadership in this new role!

Sincerely,

/s/ Amir Rosenthal

Amir Rosenthal
President, PSG Brands

_____

I accept and agree to the terms of the above offer of employment.

/s/ Matthew Smith

Matthew Smith

Date: December 3, 2015

**Exhibit 10.4**
**Execution Copy**

# AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between Bauer Hockey, Inc., a Vermont corporation (the "Company"), and Mark J. Vendetti (the "Executive"), effective as of December 14, 2015 (the "Effective Date").

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company immediately as of the Effective Date, under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing promises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree as follows:

1. Term. The term of the Executive's employment hereunder (the "Term") shall commence on the Effective Date and shall continue until terminated in accordance with Section 4 of this Agreement.

2. Title and Duties.

(a) During the Term, the Executive shall serve the Company as Executive Vice President/Chief Financial Officer, or in such other position or positions as the Chief Executive Officer of the Company (the "CEO") may designate from time to time, and shall also serve in similar positions with any Company subsidiary or Affiliate (as hereinafter defined) if designated by the Board of Directors of the Company (the "Board") or the CEO.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis and shall perform such duties and responsibilities on behalf of the Company, its subsidiaries and its Affiliates consistent with his positions with the Company, and its subsidiaries and Affiliates and as may be designated from time to time by the Board or the CEO.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its subsidiaries and Affiliates and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the Term, except as may be expressly approved in advance by the CEO in writing.

3. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and the obligations set forth in this Agreement and subject to the terms and conditions of this Agreement, the Executive shall receive from the Company:

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the rate of $410,000 (four hundred ten thousand US dollars) per annum, payable in accordance with the normal payroll practices of the Company for its executives and subject to increase (but not decrease) from time to time by the CEO, in his/her discretion.

(b) Annual Bonus Compensation. For each Company fiscal year during the Term, the Executive shall be eligible to receive an annual bonus under the Company's annual bonus plan for executives (the "Annual Bonus Plan") based on the Company's and the Executive's achievement of specified performance targets for each such fiscal year. The Executive's target bonus (the "Target Bonus") shall equal 65% (Sixty Five Percent) of the fiscal earnings payable to him for the applicable fiscal year, excluding any earnings from Bonus paid during the fiscal year. The performance targets for each fiscal year and the applicable percentage of the Target Bonus payable at specified performance thresholds each year will be set by the Compensation Committee of the Board (the "Compensation Committee"), and the Compensation Committee will determine the actual amount of annual bonus, if any, payable to the Executive hereunder in accordance with the Annual Bonus Plan (the amount of bonus for any fiscal year, the "Annual Bonus"). Except as otherwise provided herein, in order to receive an Annual Bonus for any fiscal year under this Section 3(b), the Executive must be employed by the Company for the full fiscal year. In the event that the Effective Date is after the commencement of a fiscal year, the Annual Bonus will be pro-rated for such fiscal year, with such bonus amount determined by multiplying (A) the bonus amount that would have been payable under this Section 3(b) based on performance for the entire fiscal year by (B) a fraction, the numerator of which is the number of days in such fiscal year on which the Executive was employed by the Company and the denominator of which is 365 (the "Pro-Rated Bonus"). In order to receive the pro-rated Annual Bonus, the Executive must be employed by the Company at the end of the fiscal year. For the avoidance of doubt, the Annual Bonus Plan for the fiscal year of the Company that includes the Effective Date will be that Annual Bonus Plan as in effect for the Company immediately prior to the Effective Date. To the extent an Annual Bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which such Annual Bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(c) Equity Based Awards. Subject to Board approval, on or about the Effective Date, the Executive shall be granted equity awards (the "Awards") by Performance Sports Group Ltd. ("PSG") in the amount of thirty thousand (30,000) restricted stock units and ninety thousand (90,000) time based stock options under the terms and conditions of the Nonqualified Stock Option Award Agreement and Restricted Stock Unit Award Agreement attached hereto as Exhibit C and Exhibit D, respectively. If the Effective Date is within a "No Trade Period" under the Insider Trading Policy of PSG during which PSG is not allowed to grant equity awards under applicable securities laws, the Executive shall be granted the Awards within thirty (30) days after the end of such period.

(d) Signing Bonus. The Executive shall be eligible to receive a one-time signing bonus in the amount of $25,000 (twenty-five thousand US dollars) in the first pay period following his employment with the Company. In the event the Executive voluntarily resigns his position without Good Reason (as defined in Section 4(e) below or is terminated by the Company for Cause (as defined in Section 4(c) below) (i) within the first twelve-month period after the Effective Date, the Executive shall repay to the Company 100% of the signing bonus paid to the Executive or (ii) within the second twelve-month period after the Effective Date, the Executive shall repay to the Company 50% of the signing bonus

paid to the Executive. Executive agrees to make such repayment within sixty (60) days after the last day of his employment with the Company.

(e) Relocation. The Executive shall be eligible for relocation benefits as outlined in the attached Exhibit B. In the event the Executive voluntarily resigns his position without Good Reason or is terminated by the Company for Cause (i) within the first twelve-month period after the Effective Date, the Executive shall repay to the Company 100% of the relocation benefits paid to the Executive or (ii) within the second twelve-month period after the Effective Date, the Executive shall repay to the Company 50% of the relocation benefits paid to the Executive. Executive agrees to make such repayment within sixty (60) days after the last day of his employment with the Company.

(f) Paid Time-Off. During the Term, the Executive shall be entitled to four (4) weeks of paid time-off per annum in accordance with the Company's paid time-off policy as in effect from time to time, to be taken at such times and intervals as shall be determined by the Executive and approved by the CEO, subject to the reasonable business needs of the Company.

(g) Other Benefits. During the Term and subject to any required employee contributions, the Executive shall be eligible to participate in employee benefit plans from time to time in effect for employees of the Company generally, except to the extent any benefit plan is in a category of benefits that is provided to the Executive (but not for employees of the Company generally) under this Agreement. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in such plan. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole judgment, determines to be appropriate, without recourse to the Executive.

(h) Business Expenses. The Company shall pay or reimburse the Executive for reasonable and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Such reimbursements, if any, shall be payable to the Executive promptly after the submission of such reasonable substantiation and documentation and shall be subject to Section 20 of this Agreement.

4. Termination of Employment and Severance Benefits. The Executive's employment hereunder and the Term may be terminated under the circumstances set forth in subsections (a) through (f) below. All payments and benefits specified in this Section 4 shall be subject to Sections 5 and 20 of this Agreement.

(a) Death. Unless sooner terminated in accordance with this Section 4, the Term shall end on the date of the Executive's death. In the event of the Executive's termination of employment by reason of Executive's death, the Company shall pay or provide to the Executive's designated beneficiary

or, if no beneficiary has been designated by the Executive, to his estate: (i) any earned, but unpaid Base Salary through the end of the month in which his death has occurred; (ii) any unpaid Annual Bonus for the fiscal year ended prior to the fiscal year of Executive's termination of employment (the "Prior Year Bonus"); (iii) the Pro-Rated Bonus for the fiscal year in which Executive's termination of employment occurs; (iv) any unreimbursed business expenses (subject to the provisions of subsection 3 (g) above) and (v) any accrued and unused paid time-off. The payments referred to in clauses (i), (iv) and (v) in the immediately preceding sentence are referred to herein as the "Accrued Obligations" and shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests, if any, shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements. The Company shall have no other or further obligation to the Executive hereunder upon the death of the Executive.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the Term through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of Executive's material duties and responsibilities hereunder ("Disability") for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability.

(ii) If any question shall arise as to whether Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company with the consent of the Executive (not to be unreasonably withheld) to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to a medical examination requested by the Company, the Company's determination of the issue shall be binding on the Executive.

(iii) The date of termination of employment under this Section 4(b) shall be the 10th business day following the Company's notice to the Executive of such termination (provided he has not resumed the full-time performance of his duties hereunder by such date), which date shall be the last day of the Term. In the event of such termination of employment, the Company shall pay to the Executive: (i) the Accrued Obligations; (ii) any unpaid Prior Year Bonus; and (iii) the Pro-Rated Bonus. The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Pro-Rated Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements. The Company shall have no further obligation to the Executive hereunder in the event of Disability.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for "Cause" (as hereinafter defined) at any time upon notice to the Executive

setting forth in reasonable detail the nature of such Cause. The following, as determined by the CEO in his/her reasonable judgment, shall constitute Cause for termination:

(i) The Executive's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its subsidiaries or Affiliates;

(ii) The Executive's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company or any of its subsidiaries or Affiliates;

(iii) The Executive's material breach of any of the terms of this Agreement, Company policies (including policies such as those prohibiting harassment), or his fiduciary duties to the Company or any of its subsidiaries or Affiliates (except where the breach of fiduciary duties is caused by the Executive's Disability and except where such breach is exculpated under the Company's articles of incorporation); or

(iv) The Executive's conviction of, or plea of nolo contendere to, a felony or any other action by the Executive that has resulted, or could be reasonably expected to result, in material injury to the reputation of Executive or the business of the Company, any of its subsidiaries or Affiliates.

The date of termination for Cause shall be the date specified in the notice given by the Board to the Executive. Following termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive hereunder for, or as a result of, the termination of Executive's employment, other than for payment of (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable under applicable law. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company.

(d) By the Company without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to the Executive by the Board, effective as of the date specified in such notice. In the event of such termination, the Company shall have no further obligation or liability to the Executive for or as a result of the termination of Executive's employment, other than to (i) pay the Executive the Accrued Obligations; (ii) continue to pay the Executive his Base Salary at the rate in effect on the date of termination for the period of twelve (12) months following such termination (the "Continuation Period") in accordance with the Company's normal payroll practices for its executives; (iii) with regard to payments made by the Executive pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), to reimburse the Executive an amount equal to the percentage of medical and dental benefits provided by the Company to the Executive at the conclusion of the Term (subject to the Executive's timely election of continuation coverage under COBRA); (iv) pay the Executive the Annual Bonus, if any, that would otherwise have been payable to Executive under Section 3(b) of this Agreement with respect to the fiscal year of termination of employment, without regard to the timing of the termination of the Executive's employment; (v) pay the Executive the Prior Year Bonus; and (vi) pay the Executive the Annual Bonus, pro-rated for the portion of the Continuation Period beginning after the fiscal year of termination of employment, based on the Company's actual performance for the full

fiscal year (collectively, the payments and benefits referred to in clauses (ii), (iii), (iv), (v) and (vi) are referred to as the "Severance Benefit"). The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements.

(e) By the Executive for Good Reason. The Executive may terminate Executive's employment hereunder for "Good Reason" (as hereinafter defined) at any time upon notice to the Board setting forth in reasonable detail the nature of such Good Reason, but in no event later than ninety (90) days following the initial existence of the condition or event giving rise to Good Reason and provided that the Company shall not have corrected the situation within thirty (30) business days after such notice of Good Reason from the Executive to the Board. The following shall constitute Good Reason:

(i) material diminution in the nature or scope of the Executive's titles, duties, authority or reporting responsibilities, other than as is materially consistent with the Executive's assignment to another executive position in accordance with Section 2(a) hereof, or as a result of the diminution of the business of the Company; provided, however, that a change in reporting responsibilities resulting from the direct or indirect control of the Company (or a successor corporation) by another entity or any sale or transfer of equity, property or other assets of the Company shall not constitute Good Reason;

(ii) material failure of the Company to provide the Executive the Base Salary or Annual Bonus in accordance with the terms of Section 3 hereof;

(iii) any material diminution in Base Salary or Target Bonus; or

(iv) a change in the geographic location of the Executive's principal place of performance of his services hereunder that increases his one-way commute from his primary residence at the time of such change by more than fifty (50) miles.

In the event of termination in accordance with this Section 4(e), the Company shall have no further obligation or liability to the Executive for, or as a result of, the termination of the Executive's employment, other than to pay or provide the Executive with (i) the Accrued Obligations and (ii) the Severance Benefit. The Accrued Obligations shall be payable in accordance with applicable law. Each of the Prior Year Bonus and the Annual Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable PSG equity plan and the Executive's equity agreements with PSG.

(f) By the Executive Without Good Reason. The Executive may terminate his employment hereunder at any time without Good Reason upon forty-five (45) days' notice to the Board. In the event of termination of the Executive's employment pursuant to this Section 4(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company shall pay the Executive his Base Salary for the notice period (or for any remaining portion of the period, as the case may be). In the event of termination of employment pursuant to this Section 4(f), the Company shall

pay the Executive (i) the Accrued Obligations and (ii) the Prior Year Bonus. The Accrued Obligations shall be payable in accordance with applicable law. The Prior Year Bonus, if any, shall be payable when annual bonuses for the applicable fiscal year are paid to other senior executives of the Company. The Executive's equity interests shall be governed by the terms of the applicable Company equity plan and the Executive's equity agreements.

5. Release; Effect of Termination. The provisions of this Section 5 shall apply to a termination of the Executive's employment pursuant to Section 4 or otherwise.

(a) A condition precedent to the Company's obligations contained in each of Sections 4(d), (e), and (f) shall be the Executive's execution and delivery of a timely and effective Release of Claims, substantially in the form attached hereto as Exhibit A (the "Release of Claims"), and the expiration of any applicable revocation period contained in such Release of Claims following the Executive's termination of employment (the "Release Condition"). For avoidance of doubt, depending upon the Executive's age and other relevant circumstances, the twenty-one (21) and/or forty-five (45) day provisions in paragraph 3 and the revocation provisions in paragraph 4 may be excluded from the Release of Claims. Payments and benefits of amounts which do not constitute nonqualified deferred compensation and are not subject to Section 409A (as defined below) shall commence five (5) days after the Release Condition is satisfied and payments and benefits which are subject to Section 409A shall commence on the 60th day after termination of employment (subject to further delay, if required, pursuant to Section 20 below) provided that the Release Condition is satisfied. If the Executive fails to execute and deliver the Release of Claims, or if he revokes the Release of Claims as provided therein, except for the Accrued Obligations, the Company shall have no obligation to comply with Sections 4(d), (e), or (f) of this Agreement.

(b) Upon termination of the Executive's employment with the Company, unless otherwise specifically provided herein, Executive's rights to benefits and payments under any retirement, health or welfare employee benefits plan, under PSG's equity plans (and any equity award agreements pursuant to which awards were granted thereunder) and under any other benefit plan of the Company or any subsidiary or Affiliate shall be determined in accordance with the terms and provisions of such plans; provided, however, that in light of the provisions of this Agreement, the Executive shall not be entitled to severance or termination pay under any benefit plan of the Company or any subsidiary or Affiliate in connection with the termination of Executive's employment.

(c) Provisions of this Agreement shall survive any termination of employment if so provided herein or if necessary or desirable to accomplish fully the purposes of such provisions, including without limitation the obligations of the Executive contained in Sections 6, 7 and 8 hereof. The obligation of the Company to pay the Severance Benefit is expressly conditioned upon the Executive's continued full performance of obligations contained in Sections 6, 7 and 8 hereof. The Executive recognizes that, except as expressly provided herein, he shall not earn or be entitled to any compensation or benefits after the termination of Executive's employment.

6. Confidential Information.

(a) The Executive acknowledges that the Company and its subsidiaries and Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information

for the Company or its subsidiaries or Affiliates and that the Executive may learn of Confidential Information during the course of Executive's employment with the Company. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person, or use for his own benefit or gain, any Confidential Information obtained by the Executive incident to his employment or other association with the Company or any of its subsidiaries or Affiliates, in each case except as required by applicable law, governmental or judicial process or procedure, or for the proper performance of his duties and responsibilities to the Company and its subsidiaries and Affiliates or as may be reasonably necessary for the Executive to enforce his rights hereunder or under any of his equity agreements under a Company equity plan. The Executive understands that this restriction shall continue to apply after Executive's employment terminates, regardless of the reason for such termination, but only for as long as the Confidential Information remains confidential (other than where the Executive, in violation of the Agreement, discloses or publicizes such information).

(b) The Executive acknowledges and agrees that all documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company and its subsidiaries and Affiliates and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its subsidiaries and Affiliates. The Executive shall safeguard all Documents and shall surrender to the Company at the time Executive's employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control; provided, however, that the Executive may keep such documents that represent agreements between himself and the Company and such documents as are necessary to allow the Executive to understand, exercise and protect his rights and obligations under any agreements (including this Agreement) between himself and the Company.

7. Assignment of Rights to Intellectual Property . The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates while employed by the Company hereunder shall be considered "work made for hire".

8. Restricted Activities. In exchange for good and valuable consideration including, without limitation, his employment by the Company and the compensation and benefits described herein and the grant of equity awards during the Term, the Executive agrees that some restrictions on his activities during and after Executive's employment with the Company are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its subsidiaries and Affiliates. Accordingly, in addition to the obligations set forth in Sections 6 and 7 above,

(a) While the Executive is employed by the Company, and through the last day of the twelve (12) month period following the termination of the Executive's employment or, if later, the last day

of the Continuation Period (whichever applies, the " Non-Competition Period"), the Executive shall not, whether as an owner, manager, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete in any material manner with the Company or any of its subsidiaries or Affiliates in the Business anywhere in the United States, Canada, Europe, or elsewhere that the Company or any of its subsidiaries or Affiliates conducted the Business during the Term; provided that the Executive shall be permitted to own, as a passive investor, not more than 1% (one percent) of the publicly-traded securities of any Person; provided, further, that the foregoing prohibition shall not apply to any Person which competes with the Company in the Business in the United States, Canada, Europe, or elsewhere itself or through a division, subsidiary or other business unit of such Person so long as the Executive does not himself so compete and does not work or consult for, or otherwise give advice to, any division, subsidiary or business unit that does so compete. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is competitive in any material manner with the Business. In addition, during the Non-Competition Period, the Executive shall not accept employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment was, a customer of the Company or any of its subsidiaries or Affiliates. For the purposes of this Agreement, the "Business" shall mean the designing, developing, manufacturing, producing, marketing, distributing, selling and supporting of (i) roller, ice and in-line skates; (ii) hockey equipment and apparel, namely roller, ice, in-line and street hockey equipment and apparel; (iii) lacrosse equipment and apparel; (iv) baseball and softball equipment and apparel; (v) any other line of business in which the Company or any of its subsidiaries or Affiliates, as of the date of termination of the Executive employment, is engaged; and (vi) any other line of business in which the Company or any of its subsidiaries or Affiliates, as of the date of termination of the Executive's employment, has taken significant steps in connection with exploring or preparing to engage or, during the Non-Competition Period, has become engaged.

(b) The Executive further agrees that during the Non-Competition Period, the Executive will not hire or attempt to hire any Person who is (or within the six months prior to the termination of Executive's employment was) an employee of the Company or any of its subsidiaries or Affiliates, assist in or encourage such hiring by any Person, encourage any such employee to terminate his or his relationship with the Company or any of its subsidiaries or Affiliates, or solicit or encourage any Person which is (or within the six months prior to the termination of Executive's employment was) a customer or vendor of the Company or any of its subsidiaries or Affiliates to terminate its relationship with any of them, or, in the case of such a customer, to conduct with any Person any business or activity which such customer conducts or could conduct with the Company or any of its subsidiaries or Affiliates. The Executive further agrees that during the Non-Competition Period he shall not make false, misleading or disparaging statements about the Company or its subsidiaries or Affiliates including, without limitation, their products, services, management, shareholders, employees and customers.

9. Enforcement of Covenants. The Executive acknowledges that the Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 6, 7 and 8 hereof. The Executive agrees without reservation that each of the restraints contained therein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its subsidiaries and Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent the Executive

from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were the Executive to breach any of the covenants contained in Sections 6, 7 or 8 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post a bond. The parties agree that, in the event that any provision of Section 6, 7 or 8 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area, too great a range of activities, or otherwise, such provision shall be modified to permit its enforcement to the maximum extent permitted by law. The parties further agree (a) that the Company, in its sole discretion, may waive any of the provisions in Sections 6, 7, or 8 by providing notice to the Executive and (b) that in the event of any breach of Section 8 by the Executive, the Non-Competition Period shall be extended by the period of time during which the Executive was in breach.

10. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of the Executive's obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

11. Definitions. Words or phrases which are capitalized or are within quotation marks shall have the meanings provided in this Section 10 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means all Persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority or equity interest.

(b) "Confidential Information" means any and all information of the Company and its subsidiaries or Affiliates that is not generally known by others with whom it or they compete or do business, or with whom they plan to compete or do business and any and all information, not publicly known, which, if disclosed by the Company or its subsidiaries or Affiliates would assist in competition against it or them. Confidential Information includes without limitation such information whether in verbal form, machine-readable form, written or other tangible form, and whether designated as confidential or not, relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its subsidiaries and Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its subsidiaries and Affiliates, (iv) the identity and special needs of the customers of the Company and its subsidiaries and Affiliates (v) the Intellectual Property of the Company, its subsidiaries and Affiliates, (vi) the filing or pendency of patent applications, trade secrets, techniques, methods, styles, designs, design concepts and ideas, customer, client and vendor lists, contract factory lists, pricing information, manufacturing plans, business and marketing plans, financial information, sales information, methods of operation, manufacturing processes and methods, products, prospect lists, and other information regarding prospects

or potential prospects or projects, concepts, data, information (including financial, accounting, and other information) relating to customers, clients, employees, agents, contractors, suppliers and distributors of the Company or any of its subsidiaries or Affiliates, (vii) the Persons with whom the Company and its subsidiaries and Affiliates otherwise have business relationships and the existence and nature of those relationships, and (viii) all printed or electronic copies of any of the foregoing, including notes, extracts and documents containing Confidential Information. Confidential Information also includes information similar to Confidential Information that the Company or any of its subsidiaries or Affiliates has received belonging to others or which was received by the Company or any of its subsidiaries or Affiliates with any understanding that it would not be disclosed. Confidential Information does not include information that is publicly known or becomes publicly known through no fault of the Executive.

(c) "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive's employment that relate to the Business (as defined in Section 8), the Products or any prospective activity of the Company or any of its Affiliates.

(d) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(e) "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Executive's employment.

12. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

13. Parachute Payments

(a) This Section 13 shall apply only in the case of a Statutory Change in Control (as defined below) and at a time when the Company or PSG has stock which is "readily tradeable on an established securities market or otherwise" (within the meaning of Section 280G(b)(5)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code")). In the event it is determined that any of the payments or benefits (including, without limitation, accelerated vesting of equity rights or other benefits) otherwise payable to the Executive under this Agreement or any other plan, arrangement or agreement with the Company or any Affiliate (collectively, the "Payments"), including by reason of the Executive's termination of employment in connection with a Change of Control or other event that constitutes a change in ownership or control of the Company as defined in Code Section 280G (a "Statutory Change in Control") would be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payments shall be reduced or eliminated to the extent necessary so that the aggregate Payments received by the Executive will not be subject to the Excise Tax, but only if by reason of such reduction, the net after tax benefit to the Executive exceeds the net after tax benefit to the Executive without any such reduction. "Net after tax benefit" for purposes of this Section 13 shall mean the sum of (i) the Payments to be made less (ii) the amount of federal income and employment taxes payable with respect to such Payments,

calculated at the maximum marginal income tax rate for the year of payment (based upon the rate in effect for such year as set forth in the Code at the time of termination of the Executive's employment) and less (iii) the amount of Excise Taxes imposed with respect to such Payments.

(b) If a reduction in the Payments is necessary, reduction shall occur in the following order: first, a reduction of cash payments not attributable to equity awards which vest on an accelerated basis; second, the cancellation of accelerated vesting of stock awards; third, the reduction of employee benefits and fourth a reduction in any other "parachute payments" (as defined in Code Section 280G). If acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's stock awards unless the Executive elects in writing a different order for cancellation. The determinations with respect to this Section 13 shall be made by the Company's regular outside accountants, and the Company shall pay the fees and expenses of such accountants.

(c) While it is the intention of the Company and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate net after tax benefits to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of an initial determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed ("Underpayment"), in each case, consistent with the calculations hereunder. In the event that the Company's accountants, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the accountants believe has a high probability of success, determine that an Overpayment has been made, then the Executive shall repay any such Overpayment to the Company within ten business days of hisr receipt of notice of such Overpayment; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such deemed payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive; provided, that any such Underpayment shall constitute a payment (within the meaning of Treas. Reg. § 1.409A-2(b)(2)) separate and apart from the Payments; and provided, further that any such Underpayment shall be deemed a disputed payment (within the meaning of Treas. Reg. § 1.409A-3(g)) and shall be made no later than the end of the first taxable year of the Company in which the accounting firm determines pursuant to this Section 13(c) that such Underpayment is due.

14. Assignment. The Executive may not make any assignment of this Agreement or any interest herein. The Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter affect a reorganization, or consolidate with, or merge into, any other Person or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

15. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

18. Entire Agreement/Effective Date. This Agreement shall be effective only upon the Effective Date, and upon the Effective Date shall constitute the entire agreement between the parties and supersede and terminate all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, PSG and their respective Affiliates.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

20. Section 409A.

(a) This Agreement is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") with respect to amounts, if any, subject thereto and shall be interpreted and construed and shall be performed by the parties consistent with such intent. If either party notifies the other in writing that one or more or the provisions of this Agreement contravenes any Treasury Regulations or guidance promulgated under Section 409A or causes any amounts to be subject to interest, additional tax or penalties under Section 409A, the parties shall agree to negotiate in good faith to make amendments to this Agreement as the parties mutually agree, reasonably and in good faith are necessary or desirable, to (i) maintain to the maximum extent reasonably practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the Company of providing the applicable benefit or payment and (ii) to the extent possible, to avoid the imposition of any interest, additional tax or other penalties under Section 409A upon the parties.

(b) To the extent the Executive would otherwise be entitled to any payment or benefit under this Agreement, or any plan or arrangement of the Company or its Affiliates, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning

on the date of termination of the Executive's employment would be subject to the Section 409A additional tax because the Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment or benefit will be paid or provided to the Executive on the first day following the six (6) month anniversary of the Executive's termination of employment or, if earlier, the Executive's date of death.

(c) Any payment or benefit due upon a termination of the Executive's employment that represents a "deferral of compensation" within the meaning of Section 409A shall be paid or provided to the Executive only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation §§ 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treasury Regulation § 1.409A-1 through A-6. To the extent an Annual Bonus is payable under any provision of this Agreement, it shall be paid in the taxable year of the Company following the taxable year with respect to which such Annual Bonus relates, and not later than the 15th day of the third month of such taxable year; provided, that it shall not be a breach of this Agreement if payment is made later in such year to the extent financial results are not available by such date so long as payment is made no later than December 31 of such year.

(d) Notwithstanding anything to the contrary in Agreement, any payment or benefit under this Agreement or otherwise that is exempt from Section 409A pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to the Executive only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which the Executive's "separation from service" occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which the Executive's "separation from service" occurs. To the extent any expense reimbursement or the provision of any in-kind benefit is determined to be subject to Section 409A (and not exempt pursuant to the prior sentence or otherwise), the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect provision of in-kind benefits or expenses eligible for reimbursement in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses), and in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. Any reimbursement of tax preparer fees and expenses incurred due to a tax audit addressing the existence or amount of a tax liability shall be made by the end of the Executive's taxable year following the Executive's taxable year in which the taxes that are subject of the audit are remitted to the taxing authority or, if as a result of such audit no taxes are remitted, by the end of the Executive's taxable year in which the audit is completed.

21. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

23. Governing Law. This is a New Hampshire contract and shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof.

24. Arbitration. Except as expressly set forth in this Section, in the event any dispute should arise between the parties with respect to any of the terms and conditions of this Agreement and/or the Executive's employment with the Company, the parties agree that any and all controversies, claims or disputes between them, including but not limited to any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits, shall be submitted to final and binding arbitration, to be held in Boston, Massachusetts and administered by the American Arbitration Association ("AAA"). Any arbitration shall be subject to the provisions of Chapter 542 of the New Hampshire Revised Statutes and conducted pursuant to AAA's Employment Arbitration Rules (the "Arbitration Rules"). Issues of arbitrability shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and not state law.

The arbitration shall be conducted before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator may award any form of remedy or relief that would otherwise be available in court (including equitable relief such as injunctions, temporary restraining orders, etc.), consistent with applicable law. Any award pursuant to said arbitration shall be accompanied by a detailed written opinion of the arbitrator setting forth the reason for the award.

The Executive knows that options other than arbitration, such as state and federal administrative and judicial remedies, are available to resolve any discrimination claim and, despite such knowledge, the Executive agrees to arbitrate all claims pursuant to this Section. The Executive understands that by signing this Agreement, he is waiving, and will forever be precluded from asserting, his right to utilize statutory administrative procedures and to seek judicial remedies with respect to such claims. The parties agree not to institute any litigation or proceedings against each other in connection with this Agreement except as provided in this Section, provided, however, that either Party shall have the right to seek injunctive relief or other provisional remedies exclusively in any federal or state court of competent jurisdiction in the State of New Hampshire, and both parties consent to the exclusive jurisdiction of the state and federal courts of New Hampshire for such purposes. Notwithstanding the foregoing, nothing in this Section shall be construed to preclude the Executive from participating or cooperating in any investigation or proceeding conducted by the New Hampshire Commission for Human Rights, the Equal Employment Opportunity Commission or any other administrative agency. However, in the event that a charge or complaint is filed against the Company with any administrative agency or in the event of an authorized investigation, charge or lawsuit filed against the Company by any administrative agency, the Executive expressly waives and shall not accept any award or damages from such a proceeding but instead will pursue any claim for such damages in an arbitration proceeding as set forth in this Section.

25. Dollar Amounts. All monetary figures in this Agreement shall be in United States dollars.

[signature page follows]

**IN WITNESS WHEREOF**, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

/s/ Mark J. Vendetti BAUER HOCKEY, INC.

Mark J. Vendetti By: /s/ Angela Bass

Title: EVP Global Human Resources

**EXHIBIT A**

# RELEASE OF CLAIMS

1. Release of Claims

In partial consideration of the payments and benefits described in Section 4 of the Employment Agreement (the "Employment Agreement") effective as of _____, by and between [_____] (" Executive") and Bauer Hockey, Inc., a Vermont corporation (the "Company"), to which Executive agrees Executive is not entitled until and unless Executive executes this Release, Executive, for and on behalf of Executive and Executive's heirs and assigns, subject to the last sentence of this Section 1, hereby waives and releases any employment, compensation or benefit-related common law, statutory or other complaints, claims, charges or causes of action of any kind whatsoever, both known and unknown, in law or in equity, which Executive ever had, now has or may have against the Company and its affiliates and their respective shareholders, subsidiaries, successors, assigns, trustees, directors, officers, limited and general partners, managers, joint venturers, members, employees or agents (collectively, the "Releasees") by reason of facts or omissions which have occurred on or prior to the date that Executive signs this Release (the "Employment Claims"), including, without limitation, any complaint, charge or cause of action arising under federal, state or local laws pertaining to employment, including the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, all as amended, and all other federal, state and local laws and regulations relating to employment, compensation or related benefits. By signing this Release, Executive acknowledges that Executive intends to waive and release any rights known or unknown that he may have against the Releasees under these and any other laws relating to employment, compensation or related benefits. Notwithstanding the foregoing, Executive does not release, discharge or waive, and the term "Employment Claims" shall not include: (i) any claims or causes of action arising under or related to any failure by person or entity to perform or fulfill any obligation owed to Executive on or after the date hereof under the Employment Agreement or the terms of any equity award agreement, including without limitation any obligation under Section 4(d), (e) or (f) of the Employment Agreement (as applicable); or (ii) any claims or rights to indemnification that Executive may have under the certificate of incorporation, the by-laws or equivalent governing documents of the Company or its subsidiaries or affiliates, the laws of the State of Vermont or any other state of which any subsidiary or affiliate of the Company is a domiciliary, or any indemnification agreement between Executive and the Company, or any rights to insurance coverage under any directors' and officers' personal liability or fiduciary insurance policy; or (iii) any claims to vested benefits.

2. Proceedings

Executive acknowledges that the Executive has not filed any complaint, charge, claim or proceeding, if any, against any of the Releasees before any local, state or federal agency, court or other body (each individually a "Proceeding"). Executive represents that the Executive is not aware of any basis on which such a Proceeding could reasonably be instituted. Executive (i) acknowledges that the Executive will not initiate or cause to be initiated on the Executive's behalf any Proceeding regarding Employment Claims and will not participate in any Proceeding regarding Employment Claims, in each case, except as required by law and (ii) waives any right the Executive may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding regarding Employment Claims, including any Proceeding regarding Employment Claims conducted by the Equal Employment Opportunity Commission (the "EEOC") or the New Hampshire Commission for Human Rights. Further, Executive understands that, by executing this Release, the Executive will be limiting the availability of certain remedies that the Executive may have against the Company and limiting also the Executive's ability to pursue certain claims against the Releasees. Notwithstanding the above, nothing in Section 1 of this Release shall prevent Executive from (i) initiating or causing to be initiated on the Executive's behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of the Executive's claims under the ADEA contained in Section 1 of this Release (but no other portion of such waiver) or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC or any state fair employment practices agency.

3. Time to Consider

Executive acknowledges that he has been advised that the Executive has [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release to consider all the provisions of this Release and, should the Executive execute this release prior to [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release, the Executive does hereby knowingly and voluntarily waive said given [twenty-one (21)] [forty-five (45)] day period. EXECUTIVE FURTHER ACKNOWLEDGES THAT THE EXECUTIVE HAS READ THIS RELEASE CAREFULLY, HAS BEEN ADVISED BY THE COMPANY TO, AND HAS IN FACT, CONSULTED AN ATTORNEY, AND FULLY UNDERSTANDS THAT BY SIGNING BELOW THE EXECUTIVE IS GIVING UP CERTAIN RIGHTS WHICH THE EXECUTIVE MAY HAVE TO SUE OR ASSERT A CLAIM AGAINST ANY OF THE RELEASEES, AS DESCRIBED IN SECTION 1 OF THIS RELEASE AND THE OTHER PROVISIONS HEREOF. EXECUTIVE ACKNOWLEDGES THAT THE EXECUTIVE HAS NOT BEEN FORCED OR PRESSURED IN ANY MANNER WHATSOEVER TO SIGN THIS RELEASE, AND EXECUTIVE AGREES TO ALL OF ITS TERMS VOLUNTARILY.

4. Revocation

Executive hereby acknowledges and understands that Executive shall have seven (7) days from the date of the Executive's execution of this Release to revoke this Release (including, without limitation, any and all claims arising under the ADEA) and that neither the Company nor any other person is obligated to provide any benefits to Executive pursuant to Section 4 of the Employment Agreement until eight (8) days have passed since Executive's signing of this Release without Executive having revoked this Release, in which event the Company immediately shall arrange and/or pay for any such benefits otherwise attributable to said eight-(8) day period, consistent with the terms of the Employment Agreement. If Executive fails to execute this Release within [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release or the Executive revokes this Release within seven (7) days of the Executive's execution of this Release, Executive will be deemed not to have accepted the terms of this Release and will not be due any consideration referenced in the Employment Agreement dependent upon, or the result of, Executive's execution of this Release, and no action will be required of the Company under this Release, including without limitation any release by the Company of claims against the Executive. The Executive's failure to execute this release within [twenty-one (21)] [forty-five (45)] days from the date of receipt of this Release, or his revocation of this Release within seven (7) days of his execution of this Release, will not relieve the Executive of any obligations set forth in the Employment Agreement.

5. No Admission

This Release does not constitute an admission of liability or wrongdoing of any kind by Executive or the Company.

6. General Provisions

A failure of any of the Releasees to insist on strict compliance with any provision of this Release shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release shall remain valid and binding upon Executive and the Releasees.

7. Governing Law

The validity, interpretations, construction and performance of this Release shall be governed by the laws of the State of New Hampshire without giving effect to conflict of laws principles.

**IN WITNESS WHEREOF**, Executive has hereunto set Executive's hand as of the day and year set forth opposite his signature below.

DATE [_____]

In consideration of the Executive's acceptance of this Release and his meeting in full his obligations under it, the Company hereby releases and forever discharges the Executive, the Executive's heirs, assigns, executors, administrators and representatives, and all others connected with the Executive, from any and all complaints, claims, charges or causes of action of any kind whatsoever which the Company has had in the past, has or might have against the Executive that are in any way related to, arising out of or connected with the Executive's employment by the Company and that are known to the Company's Chairman of the Board as of the date this Release is signed on behalf of the Company.

Bauer Hockey, Inc.

DATE Name:
Title:

**EXHIBIT B**

**Relocation Benefit Summary**

**Executive: Mark Vendetti, EVP/Chief Financial Officer**

| Benefit | Definition |
|---|---|
| **House Hunting Trip** | Covers two trips, up to four days in duration each with spouse included. Includes the travel costs, meals, and transportation. |
| **Moving of Household Goods** | Covers packing, moving and unpacking costs of reasonable household goods [1]. Includes moving of one vehicle |
| **En route expenses** | Covers reimbursement for travel, meals, and lodging for the family on their way to their new destination. |
| **Temporary Housing** | Up to 3-months of temporary housing |
| **Realtor's fees and closing costs** | Includes closing costs, points, and realtor fees (typically 6 percent of the sale price) for the sale of Executive's primary residence; based on actual fees and capped at a maximum of $100,000 |
| **Relocation Assistance** | Our selected 3rd party agency will work with employee to support employees housing needs, area tours, schools, mortgages, and other necessary information to make a relocation decision. |
| **Overall Maximum** | Relocation benefits in total shall not exceed $125,000 |

[1] Excludes flammable liquids, personal jewelry, high cost items such as wine collections and fine art collections

**EXHIBIT C**

See attached Nonqualified Stock Option Award Agreement

**Exhibit C**

**Performance Sports Group Ltd.**
**Nonqualified Stock Option Award Agreement Mark J. Vendetti**

This Nonqualified Stock Option Award Agreement (this " Agreement"), dated as of January 18, 2016 (the "Date of Grant"), is made by and between Performance Sports Group Ltd., a corporation organized under the laws of British Columbia, Canada (the "Company"), and **Mark J. Vendetti** (the "Grantee").

**WHEREAS,** the Company wishes to afford the Grantee the opportunity to purchase its common shares ("Common Shares");

**WHEREAS,** the Committee (as defined in Section 9) has determined that it is in the best interests of the Company to grant to the Grantee the nonqualified Option provided for herein, subject to the terms set forth herein; and

**WHEREAS,** the grant of the nonqualified Option provided for herein is intended to constitute an "employment inducement award" in accordance with NYSE rules and Section 613(c) of the TSX Company Manual and is offered as a material inducement to the Grantee in connection with the Company's hiring of the Grantee as its Executive Vice President/Chief Financial Officer.

**NOW, THEREFORE,** for and in consideration of the premises and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and for their successors and assigns, hereby agree as follows:

**1. Grant of Option.** The Company hereby grants to the Grantee an Option (the " Option") to purchase **90,000** Common Shares (the "Option Shares"), on the terms and conditions set forth in this Agreement (the " Award"). The Option is not intended to qualify as an incentive stock option under Section 422 of the Code. The "Exercise Price," being the price at which the Grantee shall be entitled to purchase the Option Shares upon the exercise of all or any portion of the Option, shall be $[EXERCISE PRICE] per Option Share, being the Fair Market Value per Option Share on the last trading day immediately prior to the Date of Grant. Any modification to the Exercise Price of this Option shall be subject to the prohibition on repricing set forth in Section 13(b) of this Agreement.

**2. Vesting; Exercisability; Forfeiture.** The Option shall become vested and exercisable in 25% cumulative installments on each of the first four anniversaries of the Date of Grant (each, a "Vesting Date" ), provided that the Grantee remains continuously engaged in active service by the Company or one of its Affiliates from the Date of Grant through such Vesting Date. In the event that the Grantee's continuous service is terminated by the Company or by the Grantee for any reason, the Grantee shall forfeit the unvested portion of the Option as of the Grantee's Termination Date (as defined below).

Method of Exercise; Tax Withholding.

(a) The Grantee may exercise the vested and exercisable portion of the Option, in whole or in part, by notifying the Company in writing of the number of whole Option Shares to be purchased thereunder and delivering with such notice an amount in cash (or certified check, wire transfer, or bank draft) equal to the aggregate Exercise Price for such number of Common Shares. The Grantee may also exercise the Option, if permitted by the Committee at the time of exercise, by means of (i) a "net exercise" procedure effected by the Grantee's surrender of such Option and the Company's withholding the minimum number of Common Shares otherwise deliverable in respect of the Option having a Fair Market Value (as defined in Section 9) equal to the amount needed to pay for the aggregate Exercise Price for such Common Shares and all applicable required withholding taxes (the "Required Withholding Shares"); provided that the number of Common Shares so withheld to satisfy any applicable withholding and employment taxes shall not have an aggregate Fair Market Value on the date of such withholding in excess of the applicable minimum required withholding obligation, or (ii) a broker-assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) is delivered a copy of irrevocable instructions to a stockbroker to sell the Required Withholding Shares and to deliver promptly to the Company an amount equal to the aggregate Exercise Price for such Common Shares and all applicable required withholding taxes.

(b) The Company shall be entitled to require, as a condition to the exercise of the Option, that the Grantee remit an amount in cash or, in the discretion of the Company, Common Shares or other property having a Fair Market Value sufficient to satisfy all federal, provincial, state, and local or other applicable withholding and employment taxes relating thereto. In addition, the Company shall have the right and is hereby authorized to withhold from the Common Shares otherwise deliverable upon exercise of the Option, or from any compensation or other amount owing to the Grantee, the amount (in cash or, in the discretion of the Company, Common Shares or other property) of any applicable withholding and employment taxes in respect of the exercise of the Option and to take such other action as may be necessary in the discretion of the Company to satisfy all obligations for the payment of such taxes.

(c) Notwithstanding the foregoing, in no event shall the Grantee be permitted to exercise an Option in a manner that the Committee determines would violate the Sarbanes-Oxley Act of 2002, or any other applicable law (including the applicable rules and regulations of the Securities and Exchange Commission) or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares.

4. Expiration. In no event shall any portion of the Option be exercisable after the tenth anniversary of the Date of Grant (the "Option Period"); provided, however, that, in the event the Option Period would expire at a time when trading in the Common Shares is prohibited

by the Company's insider trading policy or a Company-imposed "blackout period," in which case the Option Period shall be extended automatically until the 10th day following the expiration of such prohibition (so long as such extension shall not violate Section 409A of the Code or applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares). The Option is subject to earlier cancellation, termination, or expiration as set forth herein.

**5. Termination of Employment.**

(a) Termination of Employment by the Company without Cause or by the Grantee for any Reason. If, prior to the end of the Option Period, the Grantee's employment with the Company and its Affiliates is terminated by the Company without Cause, or by the Grantee for any reason, the vested portion of the Option shall expire on the earlier of (x) the last day of the Option Period and (y) the 90th day following the Termination Date. For the purposes of this Agreement, the Grantee's employment shall be considered to have terminated effective on the last day of the Grantee's actual and active employment with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Grantee or the Company or Affiliate, and whether with or without advance notice to the Grantee. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Grantee's actual last day of actual and active employment shall be considered as extending the Grantee's period of employment for the purposes of determining his entitlement hereunder (collectively referred to herein as the "Termination Date").

(b) Termination of Employment or due to Death or Disability. If, prior to the end of the Option Period, the Grantee's employment with the Company and its Affiliates is terminated due to the Grantee's death or Disability, the vested portion of the Option shall expire on the earlier of (x) the last day of the Option Period and (y) the first anniversary of such Termination Date.

(c) Termination of Employment for Cause. If, prior to the end of the Option Period the Grantee's employment with the Company and its Affiliates is terminated by the Company or one of its Affiliates for Cause, the unvested and vested portion of the Option shall be canceled immediately on the Termination Date and the Grantee shall immediately forfeit all rights to the Option Shares subject to the Option.

**6. Rights as a Shareholder.** The Grantee shall not be deemed for any purpose, nor shall the Grantee have any of the rights or privileges of, a shareholder of the Company in respect of any Option Shares unless and until (i) such Option shall have been exercised pursuant to the terms hereof, and (ii) the Company shall have issued and delivered such Option

Shares to the Grantee. The Company shall cause the actions described in clause (ii) of the preceding sentence to occur promptly following exercise as contemplated by this Agreement, subject to compliance with applicable laws.

**7. Compliance with Legal Requirements.** The granting and exercising of the Option, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, provincial, and local laws, rules, and regulations and to such approvals by any regulatory or governmental agency (including stock exchanges) as may be required. The Committee shall have the right to impose such restrictions on the Option as it deems reasonably necessary or advisable under applicable securities laws and the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time.

**8. Clawback/Forfeiture.**

(a) The Option and the Option Shares shall be subject to clawback, forfeiture, or similar consequences as described in this Section 8(a) for the reasons described in Section 8(b). In the case of an event described in subsection (b), the Grantee will forfeit any compensation, gain, or other value realized thereafter on the vesting or settlement of this Award, the sale or other transfer of this Award, or the sale of Common Shares acquired in respect of this Award, and must promptly repay such amounts to the Company, and this Award and any other equity awards held by the Grantee shall terminate. Further, to the extent required by applicable law (including, without limitation, Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of NYSE or any other national securities exchange on which the Company has applied to list or quote its Common Shares, or if so required pursuant to a written policy adopted by the Company, this Award shall be subject (including on a retroactive basis) to clawback, forfeiture, or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

(b) (i) If the Grantee engages in activity that is in conflict with or adverse to the interests of the Company or any of its Affiliates (as defined in Section 9) at any time, or during a specified time period, including fraud or conduct contributing to any financial restatements or irregularities, or if the Grantee violates a noncompete, nonsolicit, nondisclosure, or nondisparagement covenant or agreement with the Company or any of its Affiliates, or if the Grantee violates any other policy, procedure, or rule applicable to the Grantee in a manner that adversely affects or could reasonably be expected to adversely affect the business or reputation of the Company or any of its Affiliates, or if the Grantee's employment or service is terminated for Cause; and/or (ii) if the Grantee receives any amount in excess of what the Grantee should have received under the terms of this Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations, or other administrative error), all as determined by the Committee, then the Grantee shall be required to promptly repay any such excess amount to the Company. In addition, the Company shall retain the

right to bring an action at equity or law to enjoin the Grantee's activity and recover damages resulting from such activity.

**9. Definitions.** Words or phrases that are initially capitalized or are within quotation marks shall have the meanings provided in this Section 9 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliate" means (i) any person or entity that directly or indirectly controls, is controlled by, or is under common control with the Company and (ii) to the extent provided by the Committee, any person or entity in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract, or otherwise.

(b) "Beneficial Ownership" has the meaning set forth in Rule 13d-3 promulgated under Section 13 of the U.S. Exchange Act.

(c) "Board" means the Board of Directors of the Company.

(d) "Canadian Securities Laws" means, collectively, the applicable securities laws of each of the provinces and territories of Canada, including the respective regulations and rules made under those securities laws.

(e) "Cause" means, as determined by the Chief Executive Officer of the Company in his/her reasonable judgment, (i) the Grantee's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its subsidiaries or Affiliates; (ii) the Grantee's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company or any of its subsidiaries or Affiliates; (iii) the Grantee's material breach of any of the terms of his employment agreement, Company policies (including policies such as those prohibiting harassment), or his fiduciary duties to the Company or any of its subsidiaries or Affiliates (except where the breach of fiduciary duties is caused by the Grantee's Disability and except where such breach is exculpated under the Company's articles of incorporation); or (iv) the Grantee's conviction of, or plea of nolo contendere to, a felony or any other action by the Grantee that has resulted, or could be reasonably expected to result, in material injury to the reputation of the Grantee or the business of the Company, any of its subsidiaries or Affiliates.

(f) "Change in Control" means, unless any employment or service agreement between the Grantee and the Company or an Affiliate states otherwise, the first to occur of any of the following events:

(i) the acquisition by any Person or related "group" (as such term is used in Sections 13(d) and 14(d) of the U.S Exchange Act) of Persons, or Persons acting jointly or in concert, of Beneficial Ownership (including control or direction) of 50% or more (on a fully diluted basis) of either (A) the then-outstanding Common Shares, including Common Shares issuable upon the exercise of options, Awards or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Common Shares (the "Outstanding Company Common Shares"); or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote in the election of directors (the "Outstanding Company Voting Securities"); but excluding any acquisition by the Company or any of its Affiliates or by any employee benefit plan sponsored or maintained by the Company or any of its Affiliates;

(ii) a change in the composition of the Board such that members of the Board during any consecutive 12-month period (the "Incumbent Directors") cease to constitute a majority of the Board. Any person becoming a director through election or nomination for election approved by a valid vote of at least two thirds of the Incumbent Directors shall be an Incumbent Director; provided, however, that no individual becoming a director as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the U.S Exchange Act, or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be an Incumbent Director;

(iii) the approval by the shareholders of the Company of a plan of complete dissolution or liquidation of the Company; and

(iv) the consummation of a reorganization, recapitalization, merger, amalgamation, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company (a "Business Combination"), or sale, transfer, or other disposition of all or substantially all of the business or assets of the Company to an entity that is not an Affiliate of the Company (a "Sale"), unless immediately following such Business Combination or Sale: (A) more than 50% of the total voting power of the entity resulting from such Business Combination or the entity that acquired all or substantially all of the business or assets of the Company in such Sale (in either case, the "Surviving Company"), or the ultimate parent entity that has Beneficial Ownership of sufficient voting power to elect a majority of the board of directors (or analogous governing body) of the Surviving Company (the "Parent Company"), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination or Sale (or, if applicable, is represented by shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination or Sale) and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Outstanding Company Voting Securities among the holders thereof immediately prior to the Business Combination or Sale and

(B) no Person (other than any employee benefit plan sponsored or maintained by the Surviving Company or the Parent Company) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company); provided, that no Person or group shall be treated for purposes of this Section 9(:f)(iv)(B) as having Beneficial Ownership of 50% or more of such total voting power solely as a result of the voting power held in the Company prior to the consummation of the Business Combination or Sale.

(g) "Code" means the U.S. Internal Revenue Code of 1986, as amended, and any successor thereto. References to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successors thereto.

(h) "Committee" means the Compensation Committee of the Board or subcommittee thereof if required to comply with Rule 16b-3 promulgated under the U.S. Exchange Act in respect of Awards or, if no such Compensation Committee or subcommittee thereof exists, or if the Board otherwise takes action hereunder on behalf of the Committee, the Board.

(i) "Common Shares" means the common shares of the Company (and any share or other securities into which such shares may be converted or into which it may be exchanged).

(j) "Disability" means any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of the Grantee's material duties and responsibilities under his employment agreement for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days.

(k) "$"shall refer to United States dollars.

(1) "Eligible Director" means a person who is (i) a "non-employee director" within the meaning of Rule 16b-3 under the U.S Exchange Act and/or (ii) an "independent director" under applicable securities laws or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares, or a person meeting any similar requirement under any successor rule or regulation.

(m) "Fair Market Value" means, (i) with respect to Common Shares on a given date, (x) if the Common Shares are listed on a national securities exchange, the closing sales price of the Common Shares reported on such exchange on such date, or if there is no such sale on that date, then on the last preceding date on which such a sale was reported; or (y) if the Common Shares are not listed on any national securities exchange, the amount determined by the Committee in good faith to be the fair market value of the Common Shares, or (ii) with

respect to any other property, the amount determined by the Committee in good faith to be the fair market value of such other property.

(n) "NYSE" means the New York Stock Exchange.

(o) "Person" has the meaning given in Section 3(a)(9) of the U.S. Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Common Shares of the Company.

(p) "TSX" means the Toronto Stock Exchange.

(q) "U.S. Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and any successor thereto. References to any section of (or rule promulgated under) the U.S Exchange Act shall be deemed to include any rules, regulations, or other interpretative guidance under such section or rule, and any amendments or successors thereto.

(r) "U.S. Securities Act" means the U.S. Securities Act of 1933, as amended, and any successor thereto. Reference in this Agreement to any section of (or rule promulgated under) the
U.S. Securities Act shall be deemed to include any rules, regulations, or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations, or other interpretive guidance.

**10. Administration.**

(a) The Committee shall administer this Agreement and shall have the sole and plenary authority to (i) determine the method by which this Award may be settled, exercised, canceled, forfeited, or suspended; (ii) determine the circumstances under which the delivery of cash, property, or other amounts payable with respect to this Award may be deferred either automatically or at the Grantee's or Committee's election; (iii) interpret and administer, reconcile any inconsistency in, correct any defect in, and supply any omission in this Agreement;

(iv) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Agreement; (v) accelerate the vesting, delivery, or exercisability of, or payment for or lapse of restrictions on, or waive any condition in respect of, this Award; and (vi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Agreement or to comply with any applicable law. To the extent required to comply with the provisions of Rule 16b-3 promulgated under the U.S.

Exchange Act (if applicable and if the Board is not acting as the Committee under this Agreement) or the Canadian Securities Laws or any exception or exemption under applicable securities laws or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares, as applicable, it is intended that each member of the Committee shall, at the time the Grantee takes any action with respect to this Award, be an Eligible Director. However, the fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate this Award or action taken by the Committee that is otherwise validly taken under this Agreement.

(b) The Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members or to any one or more members of the Board. Any such allocation or delegation may be revoked by the Committee at any time.

(c) Unless otherwise expressly provided herein, all designations, determinations, interpretations, and other decisions regarding this Agreement shall be within the sole discretion of the Committee, may be made at any time, and shall be final, conclusive, and binding upon all persons or entities, including, without limitation, the Company, any Affiliate, the Grantee, any holder or beneficiary of this Award, and any shareholder of the Company.

(d) No member of the Board or the Committee, nor any employee or agent of the Company (each such person, an "Indemnifiable Person"), shall be liable for any action taken or omitted to be taken or any determination made with respect to this Agreement (unless constituting fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from all losses, costs, liabilities, and expenses (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit, or proceeding to which such Indemnifiable Person may be involved as a party, witness, or otherwise by reason of any action taken or omitted to be taken or determination made under this Agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company's approval (not to be unreasonably withheld), in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit, or proceeding against such Indemnifiable Person, and the Company shall advance to such Indemnifiable Person any such expenses promptly upon written request (which request shall include an undertaking by the Indemnifiable Person to repay the amount of such advance if it shall ultimately be determined as provided below that the Indemnifiable Person is not entitled to be indemnified); provided, that the Company shall have the right, at its own expense, to assume and defend any such action, suit, or proceeding, and once the Company gives notice of its intent to assume the defense, the Company

shall have sole control over such defense with counsel of recognized standing of the Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or

determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's articles of incorporation. The foregoing right of indemnification shall not be exclusive of or otherwise supersede any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's articles of incorporation, as a matter of law, individual indemnification agreement or contract, or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

(e) The Board may at any time and from time to time, administer this Agreement with respect to the Award. In any such case, the Board shall have all the authority granted to the Committee under this Agreement.

**11. Changes in Capital Structure and Similar Events.** In the event of (a) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, Common Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of Common Shares or other securities of the Company, issuance of warrants or other rights to acquire Common Shares or other securities of the Company, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the Common Shares, or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations, o r other requirements of any governmental body or national securities exchange, accounting principles, or law, such that in any case an adjustment is determined by the Committee to be necessary or appropriate, then the Committee shall make any such adjustments in such manner as it may deem equitable, including without limitation any or all of the following:

( i ) adjusting any or all of (A) the number and kind of common shares of the Company or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of this Award and (B) the terms of this Award, including, without limitation, (1) the number and kind of shares of stock or other securities of the Company (or number and kind of other securities or other property) subject to this Award or to which this Award relates, and/or (2) the Exercise Price with respect to this Award;

(ii) providing tor a substitution or assumption of this Award, accelerating the delivery, vesting, and/or exercisability of, lapse of restrictions, and/or other conditions on, or termination of, this Award or providing for a period of time (which shall not be required to be more than 10 days) for the Grantee to exercise this Award prior to the occurrence of such event (and if this Award is not so exercised shall terminate or become no longer exercisable upon the occurrence of such event); and

(iii) cancelling this Award and causing to be paid to the holders thereof, in cash, Common Shares, other securities, or other property, or any combination

thereof, the value of this Award, if any, as determined by the Committee (which if applicable may be based upon the price per Common Share received or to be received by other shareholders of the Company in such event), including without limitation, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the Common Shares subject to this Option over the aggregate Exercise Price of this Option, respectively (it being understood that, in such event, if this Option has a per share Exercise Price equal to, or in excess of, the Fair Market Value of a Common Share subject thereto may be canceled and terminated without any payment or consideration therefor);

provided, however, that the Committee shall make an equitable or proportionate adjustment to this Award to reflect any "equity restructuring" (within the meaning of the Financial Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)). Except as otherwise determined by the Committee, any adjustments under this Section 11 shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule l6b-3 promulgated under the U.S. Exchange Act. The Company shall give the Grantee notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. In anticipation of the occurrence of any event listed in the first sentence of this Section 11, for reasons of administrative convenience, the Committee in its sole discretion may refuse to permit the exercise of this Award during a period of up to 30 days prior to the anticipated occurrence of any such event.

**12. Effect of Change in Control.** Except to the extent otherwise provided in any applicable employment or service agreement between the Grantee and the Company or an Affiliate, in the event of a Change in Control, notwithstanding any provision of this Agreement to the contrary:

(a) In the event that the Grantee's employment with the Company or an Affiliate is terminated by the Company or an Affiliate without Cause (and other than due to death or Disability) on or within 12 months following a Change in Control, the Committee may provide that all Options granted hereby shall become immediately exercisable with respect to 100% of the shares subject to such Options.

(b) In addition, the Committee may upon at least 10 days' advance notice to the Grantee, cancel this Award and pay to the Grantee, in cash, securities or other property (including of the acquiring or successor company), or any combination thereof, the value of this Award based upon the price per Common Share received or to be received by other shareholders of the Company in the event. Notwithstanding the above, the Committee shall exercise such discretion over the timing of settlement of this Award subject to Section 409A of the Code at the time this Award is granted.

**13. Miscellaneous.**

( a ) Transferability. The Option may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered (a "Transfer") by the Grantee other

than as permitted by this Section 13(a). Any attempted Transfer of the Option contrary to the provisions

hereof, and the levy of any execution, attachment, or similar process upon the Option, shall be null and void and without effect. In the event of the Grantee's death, the Option shall thereafter be exercisable (to the extent otherwise exercisable hereunder) only by the Grantee's executors or administrators.

(i) This Award shall be exercisable only by the Grantee during the Grantee's lifetime, or, if permissible under applicable law, by the Grantee's legal guardian or representative. This Award may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Grantee other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or an Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may permit this Award to be transferred by the Grantee, without consideration, subject to such rules as the Committee may adopt, to (A) any person who is a "family member" of the Grantee, as such term is used in the instructions to Form S-8 under the U.S. Securities Act or any successor form of registration statements promulgated by the Securities and Exchange Commission (collectively, the "Immediate Family Members"); (B) a trust solely for the benefit of the Grantee and the Grantee's Immediate Family Members; (C) a partnership or limited liability company whose only partners or shareholders are the Grantee and the Grantee's Immediate Family Members; or (D) any other transferee as may be approved by the Board or the Committee; (each transferee described in clause (A), (B), (C), or (D) above is hereinafter referred to as a "Permitted Transferee"), provided that the Grantee gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Grantee in writing that such a transfer would comply with the requirements of this Agreement.

(iii) The terms of this Award transferred in accordance with the immediately preceding paragraph shall apply to the Permitted Transferee, and any reference in this Agreement to the Grantee shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the Common Shares to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with this Agreement, that such a registration statement is necessary or appropriate; (C) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such

notice is or would otherwise have been required to be given to the Grantee under this Agreement or otherwise; and (D) the consequences of the termination of the Grantee's employment by, or services to, the Company or an Affiliate under the terms of this Agreement shall continue to be applied with respect to the transferred Award, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in this Agreement.

(b) Amendment. At any time, and from time to time, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel, or terminate this Award theretofore granted or this Agreement, prospectively or retroactively (including after the Grantee's termination of employment or service with the Company), which may include, but are not limited to (i) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of this Agreement, correct or supplement any provision under this Agreement that is inconsistent with any other provision of this Agreement, correct any grammatical or typographical errors, or amend the definitions in this Agreement regarding administration of this Agreement; (ii) the addition of a form of financial assistance and any amendment to a financial assistance provision that is adopted; (iii) amend the vesting provisions of this Agreement; (iv) any amendment respecting the administration of this Agreement; (v) any amendment necessary to comply with applicable law or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares or any other regulatory body having authority over the Company, this Agreement, the Grantee, or shareholders; and (vi) any other amendment that does not require the approval of shareholders under this Section 13(b); provided, that (i) no such amendment, alteration, suspension, discontinuation, or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to this Agreement (including, without limitation, as necessary to comply with any applicable rules or requirements of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares, or for changes in GAAP to new accounting standards), and (ii) any such waiver, amendment, alteration, suspension, discontinuance, cancellation, or termination that would materially and adversely affect the rights of the Grantee with respect to this Award theretofore granted shall not to that extent be effective without the consent of the Grantee unless the Committee determines that such waiver, amendment, alteration, suspension, discontinuance, cancellation, or termination either is required or advisable in order for the Company or the Award to satisfy any applicable law or regulation; provided, further, that except as otherwise permitted under Section 11 of this Agreement, if (i) the Committee reduces the Exercise Price of any Option, (ii) the Committee cancels this Option and replaces it with a new Option (with a lower Exercise Price, as the case may be) or other equity award or cash in a manner that would either (A) be reportable on the Company's proxy statement or Form 10-K (if applicable) as Options that have been "repriced" (as such term is used in Item 402 of Regulation S-K promulgated under the U.S. Exchange Act), or (B) result in any "repricing" for financial statement reporting purposes (or otherwise cause the Award to fail to qualify for equity accounting treatment), (iii) the

Committee cancels this Option that has a per-share Exercise Price at or above the Fair Market Value of a Common Share on the date of cancellation, and pays any consideration to the holder thereof, whether in cash, securities, or other property, or any combination thereof, (iv) the Committee takes any other action that is considered a "repricing" for purposes of the shareholder approval rules of the applicable national securities exchange on which the Common Share is listed or quoted; (v) an extension of the term of this Option benefiting a "reporting insider" (as defined in National Instrument 55-104 - Insider Reporting Requirements and Exemptions) of the Company, except in the case of an extension due to a blackout period; (vi) any amendment that would permit this Option to be transferable or assignable other than for normal estate settlement purposes; (vii) any amendment requiring the approval of the Company's shareholders under applicable requirements of the NYSE, the TSX,

or any other national securities exchange on which the Company has applied to list or quote its Common Shares; (viii) or any amendment to this Section 13(b), then, in the case of the immediately preceding clauses (i) through (viii), any such action shall not be effective without shareholder approval.

( c ) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Notices. Every notice and other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to the Grantee's address as recorded in the records of the Company or any Subsidiary.

( e ) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(f) No Rights to Continued Service. Nothing contained in this Agreement shall be construed as giving the Grantee any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate, or discharge the Grantee at any time for any reason whatsoever.

(g) Termination of Employment or Service. The Committee, in its sole discretion, shall determine the effect of all matters and questions related to the termination of employment or service of the Grantee. Except as otherwise provided in any employment or service agreement between the Grantee and the Company or an Affiliate, unless determined otherwise by the Committee: (i) neither a temporary absence from employment or service due to illness, vacation, or leave of absence (including, without limitation, a call to active duty for military service through a Reserve or National guard unit) nor a transfer from employment or service with the Company to employment or service with an Affiliate (or vice versa) shall be considered a termination of employment or service with the Company or an Affiliate, and (ii) if the Grantee's employment with the Company or its Affiliates terminates, but the Grantee continues to provide services with the Company or its Affiliates in a non-employee capacity (including as a non employee director) (or vice versa), such change in status shall not be considered a termination of employment or service with the Company or an Affiliate for purposes of this Agreement.

(h) Fractional Common Shares. No fractional Common Shares shall be issued upon the exercise of any Option granted hereunder, and accordingly, if the Grantee would become entitled to a fractional Common Share upon the exercise of an Option, or from an adjustment permitted by the terms of this Agreement, the Grantee shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(i) Beneficiary. The Grantee may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

(j) Beneficiary Designation. The Grantee's beneficiary shall be the Grantee's spouse (or domestic partner if such status is recognized by the Company and in such jurisdiction), or if the Grantee is otherwise unmarried at the time of death, the Grantee's estate, except to the extent that a different beneficiary is designated in accordance with procedures that may be established by the Committee from time to time for such purpose. Notwithstanding the foregoing, in the absence of a beneficiary validly designated under such Committee-established procedures and/or applicable law who is living (or in existence) at the time of death of the Grantee residing or working outside the United States, any required distribution under this Agreement shall be made to the executor or administrator of the estate of the Grantee, or to such other individual as may be prescribed by applicable law.

(k) Payments to Persons Other Than the Grantee. If the Committee shall find that any person to whom any amount is payable under this Agreement is unable to care for the Grantee's affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or the Grantee's estate (unless a prior claim therefor has been made by a duly appointed legal representative or a beneficiary designation form has been

filed with the Company) may, if the Committee so directs the Company, be paid to the Grantee's spouse, child, or relative, or an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(l) Nonexclusivity of the Agreement. Neither the adoption of this Agreement by the Board nor the submission of this Agreement to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options or other rights or awards otherwise than under this Agreement, and such arrangements may be either applicable generally or only in specific cases.

(m) Reliance on Reports. Each member of the Committee and each member of the Board (and each such member's respective designees) shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent registered public accounting firm of the Company and its Affiliates and/or any other information furnished in connection with this

Agreement by any agent of the Company or the Committee or the Board, other than such member or designee.

(n) No Representations or Covenants With Respect to Tax Qualification. Although the Company may endeavor to (i) qualify an Award for favorable U.S. or non-U.S. tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on the Grantee under this Agreement.

(o) Relationship to Other Benefits. No payment under this Agreement shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance, or other benefit plan of the Company except as otherwise specifically provided in such other plan.

(p) Purchase for Investment. Whether or not the Options and Option Shares covered by this Agreement have been registered under the U.S. Securities Act, each person exercising an Option under this Agreement or acquiring Option Shares under this Agreement may be required by the Company to give a representation in writing that such person is acquiring such shares for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. The Company will endorse any necessary legend referring to the foregoing restriction upon the certificate or certificates representing any Option Shares issued or transferred to the Grantee upon the exercise of any Option granted hereunder.

(q) 409A of the Code.

(i) It is intended that this Agreement comply with Section 409A of the Code, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. The Grantee is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of the Grantee in connection with this Agreement or any other plan maintained by the Company, including any taxes and penalties under Section 409A of the Code, and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold the Grantee or any beneficiary harmless from any or all of such taxes or penalties. In the event that this Award is considered "deferred compensation" subject to Section 409A of the Code, references in this Agreement to "termination of employment" (and substantially similar phrases) shall mean "separation from service" within the meaning of Section 409A of the Code. For purposes of Section 409A of the Code, each of the payments that may be made in respect of this Award granted hereunder is designated as a separate payment.

(ii) Notwithstanding anything in this Agreement to the contrary, if the Grantee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments or deliveries in respect of this Award that are "deferred compensation" subject to Section 409A of the Code shall be made to the Grantee on account of the Grantee's "separation from service" within the meaning of Section 409A of the Code prior to the date that is six months after the date of such "separation from service" or, if earlier, the Grantee's date of death. All such delayed payments or deliveries will be paid or delivered (without interest) in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day.

(iii) In the event that the timing of payments in respect of this Award that would otherwise be considered "deferred compensation" subject to Section 409A of the Code would be accelerated upon the occurrence of (A) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation pursuant to Section 409A of the Code or (B) a Disability, no such acceleration shall be permitted unless the Disability also satisfies the definition of "Disability" pursuant to Section 409A of the Code.

(r) Successors. The terms of this Agreement sha ll be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Grantee and the beneficiaries, executors, administrators, heirs, and successors and permitted transferees of the Grantee.

(s) Entire Agreement. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto.

(t) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of New York.

(u) Venue; Waiver of Jury Trial.

(i) The Grantee and the Company (on behalf of itself and its Affiliates) each consent to jurisdiction in the United States District Court for the Southern District of New York, or if that court is unable to exercise jurisdiction for any reason, the Supreme Court of the State of New York, New York County, in the event of any dispute arising hereunder, and each waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process and waives any objection to jurisdiction based on improper venue or improper jurisdiction.

(ii) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(v) No Interference. The existence of this Agreement shall not affect or restrict in any way the right or power of the Company, the Board, the Committee, or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization, or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants, or rights to purchase stock or of bonds, debentures, or preferred or prior preference stocks whose rights are superior to or affect the Common Shares or the rights thereof or that are convertible into or exchangeable for Common Shares, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of their assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(w) Expenses: Headings. The expenses of administering this Agreement shall be borne by the Company and its Affiliates. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(x) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first written above.

PERFORMANCE SPORTS GROUP LTD.

By: _____

Mark J. Vendetti

**EXHIBIT D**

See attached Restricted Stock Unit Award Agreement

**EXHIBIT D**

PWRW&G LLP Draft 1/6/2016

**Performance Sports Group Ltd.**
**Restricted Stock Unit Award Agreement Mark J. Vendetti**

This Restricted Stock Unit Award Agreement (this " Agreement"), dated as of January 18, 2016 (the "Date of Grant"), is made by and between Performance Sports Group Ltd., a corporation organized under the laws of British Columbia, Canada (the "Company"), and **Mark J. Vendetti** (the "Grantee").

**WHEREAS,** the Committee (as defined in Section 9) has determined that it is in the best interests of the Company to grant to the Grantee the number of restricted stock units provided for herein, each representing the right to receive upon settlement one (1) Common Share (as defined in Section 9), or the cash value thereof, in accordance with Section 3 (each, a "Restricted Stock Unit"), subject to the terms set forth herein; and

**WHEREAS,** the grant of Restricted Stock Units provided for herein is intended to constitute an "employment inducement award" in accordance with NYSE rules and Section 613(c) of the TSX Company Manual and is offered as a material inducement to the Grantee in connection with the Company's hiring of the Grantee as its Executive Vice President/Chief Financial Officer.

**NOW, THEREFORE,** for and in consideration of the premises and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and for their successors and assigns, hereby agree as follows:

**1. Grant of Restricted Stock Units.** The Company hereby grants to the Grantee a total of **30,000** Restricted Stock Units, on the terms and conditions set forth in this Agreement (the "Award"). Restricted Stock Units shall be credited to a separate book-entry account maintained on the books of the Company for the Grantee.

**2. Vesting; Forfeiture.** The Restricted Stock Units shall become vested in 25% cumulative installments on each of the first four anniversaries of the Date of Grant (each, a "Vesting Date" and the period from the Date of Grant through the final Vesting Date, the " Restricted Period"), provided that the Grantee remains continuously engaged in active service by the Company or one of its Affiliates from the Date of Grant through such Vesting Date. In the event that the Grantee's continuous service is terminated by the Company or by the Grantee for any reason, the Grantee shall forfeit the unvested portion of the Restricted Stock Units as of the Grantee's Termination Date (as defined below). For the purposes of this Agreement, the Grantee's employment shall be considered to have terminated effective on the last day of the Grantee's actual and active employment with the Company or Affiliate,

whether such day is selected by agreement with the individual, or unilaterally by the Grantee or the Company or Affiliate, and whether with or without advance notice to the Grantee. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Grantee's actual last day of actual and active employment shall be considered as extending the Grantee's period of employment for the purposes of determining his entitlement hereunder

(collectively referred to herein as the " Termination Date"). The Committee may accelerate the vesting and/or the lapse of any or all of the restrictions on the Restricted Stock Units, which acceleration shall not affect any other terms and conditions of this Agreement. The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the Date of Grant, such action is appropriate.

**3. Settlement.** Within 30 days following each Vesting Date, the Company shall settle the vested portion of the Restricted Stock Units and shall therefore, subject to any required tax withholding and the execution of any required documentation, issue and deliver to the Grantee, or the Grantee's beneficiary (via book entry notation or, if applicable, in share certificate form), one Common Share for each Restricted Stock Unit (each, a "Released Unit") (and, upon such settlement, the Restricted Stock Units shall cease to be credited to the Grantee's account); provided, however, that the Committee may elect to (A) pay cash or part cash and part Common Shares in lieu of delivering only Common Shares in respect of such Released Units or (B) defer the delivery of Common Shares (or cash or part Common Shares and part cash, as the case may be) beyond the expiration of the Restricted Period if such extension would not cause adverse tax consequences under Section 409A of the Code. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value (as defined in Section 9) of the Common Shares as of the date on which Common Shares would have otherwise been delivered to the Grantee in respect of such Restricted Stock Units.

**4. Tax Withholding.** The Company shall be entitled to require, as a condition to the issuance or delivery of any Common Shares, that the Grantee remit an amount in cash or, in the discretion of the Company, Common Shares or other property having a Fair Market Value sufficient to satisfy all federal, state, provincial, and local or other applicable withholding and employment taxes relating thereto. In addition, the Company shall have the right and is hereby authorized to withhold from the Common Shares otherwise deliverable upon settlement of the Restricted Stock Units, or from any compensation or other amount owing to the Grantee, the amount (in cash or, in the discretion of the Company, Common Shares or other property) of any applicable withholding and employment taxes in respect of the vesting or settlement of the Restricted Stock Units and to take such other action as may be necessary in the discretion of the Company to satisfy all obligations for the payment of such taxes.

**5. Rights as a Shareholder.** The Grantee shall not be deemed tor any purpose, nor shall the Grantee have any of the rights or privileges of, a shareholder of the Company in respect of any Common Shares subject to the Restricted Stock Units granted hereunder unless and until
(i) such Restricted Stock Units shall have been settled in Common Shares pursuant to the terms hereof, and (ii) the Company shall have issued and delivered such Common Shares to the Grantee. The Company shall cause the actions described in clause (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

**6. Dividend Equivalents.** In the event that a dividend becomes payable on the Common Shares prior to the settlement date of the Restricted Stock Units granted hereunder, then on the payment date for such dividend, the Grantee's book-entry account in respect of such Restricted Stock Units shall be credited with additional Restricted Stock Units (including fractional

Restricted Stock Units) of the same kind as credited in the Grantee's book-entry account, the number of which shall be determined by dividing (i) the amount determined by multiplying
(a) the number of Restricted Stock Units in the Grantee's book-entry account (whether vested or unvested) on the record date for the payment of such dividend by (b) the dividend paid per Common Share, by (ii) the Fair Market Value of a Common Share on the dividend payment date for such dividend, in each case, with fractions computed to two decimal places. Such additional Restricted Stock Units (including fractional Restricted Stock Units), if credited, shall vest on the same basis as the underlying Restricted Stock Units.

**7. Compliance with Legal Requirements.** The granting and settlement of the Restricted Stock Units, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, provincial, and local laws, rules, and regulations and to such approvals by any regulatory or governmental agency (including stock exchanges) as may be required. The Committee shall have the right to impose such restrictions on the Restricted Stock Units as it deems reasonably necessary or advisable under applicable securities laws and the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time.

**8. Clawback/Forfeiture.**

(a) The Restricted Stock Units and the Common Shares acquired upon settlement of the Restricted Stock Units shall be subject to clawback, forfeiture, or similar consequences as described in this Section 8(a) for the reasons described in Section 8(b). In the case of an event described in subsection (b), the Grantee will forfeit any compensation, gain, or other value realized thereafter on the vesting or settlement of this Award, the sale or other transfer of this Award, or the sale of Common Shares acquired in respect of this Award, and must promptly repay such amounts to the Company, and this

Award and any other equity awards held by the Grantee shall terminate. Further, to the extent required by applicable law (including, without limitation, Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of NYSE or any other national securities exchange on which the Company has applied to list or quote its Common Shares, or if so required pursuant to a written policy adopted by the Company, this Award shall be subject (including on a retroactive basis) to clawback, forfeiture, or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

(b) (i) If the Grantee engages in activity that is in conflict with or adverse to the interests of the Company or any of its Affiliates (as defined in Section 9) at any time, or during a specified time period, including fraud or conduct contributing to any financial restatements or irregularities, or if the Grantee violates a noncompete, nonsolicit, nondisclosure, or nondisparagement covenant or agreement with the Company or any of its Affiliates, or if the Grantee violates any other policy, procedure, or rule applicable to the Grantee in a manner that adversely affects or could reasonably be expected to adversely affect the business or reputation of the Company or any of its Affiliates, or if the Grantee's employment or service is terminated for Cause; and/or (ii) if the Grantee receives any amount in excess of what the Grantee should have received under the terms of this Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations, or other administrative error), all as

determined by the Committee, then the Grantee shall be required to promptly repay any such excess amount to the Company. In addition, the Company shall retain the right to bring an action at equity or law to enjoin the Grantee's activity and recover damages resulting from such activity.

**9. Definitions.** Words or phrases that are initially capitalized or are within quotation marks shall have the meanings provided in this Section 9 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliate" means (i) any person or entity that directly or indirectly controls, is controlled by, or is under common control with the Company and (ii) to the extent provided by the Committee, any person or entity in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract, or otherwise.

(b) "Beneficial Ownership" has the meaning set forth in Rule 13d-3 promulgated under Section 13 of the U.S. Exchange Act.

(c) "Board" means the Board of Directors of the Company.

(d) "Canadian Securities Laws" means, collectively, the applicable securities laws of each of the provinces and territories of Canada, including the respective regulations and rules made under those securities laws.

(e) "Cause" means, as determined by the Chief Executive Officer of the Company in his/her reasonable judgment, (i) the Grantee's commission of any material fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of any material amount of money or other assets or property of the Company or any of its subsidiaries or Affiliates; (ii) the Grantee's willful failure to perform, or gross negligence in the performance of, his duties and responsibilities to the Company or any of its subsidiaries or Affiliates; (iii) the Grantee's material breach of any of the terms of his employment agreement, Company policies (including policies such as those prohibiting harassment), or his fiduciary duties to the Company or any of its subsidiaries or Affiliates (except where the breach of fiduciary duties is caused by the Grantee's Disability and except where such breach is exculpated under the Company's articles of incorporation); or (iv) the Grantee's conviction of, or plea of nolo contendere to, a felony or any other action by the Grantee that has resulted, or could be reasonably expected to result, in material injury to the reputation of the Grantee or the business of the Company, any of its subsidiaries or Affiliates.

(f) "Change in Control" means, unless any employment or service agreement between the Grantee and the Company or an Affiliate states otherwise, the first to occur of any of the following events:

(i) the acquisition by any Person or related "group" (as such term is used in Sections 13(d) and 14(d) of the U.S Exchange Act) of Persons, or Persons acting jointly or in concert, of Beneficial Ownership (including control or direction) of 50% or more

(on a fully diluted basis) of either (A) the then-outstanding Common Shares, including Common Shares issuable upon the exercise of options, Awards or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Common Shares (the "Outstanding Company Common Shares"); or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote in the election of directors (the "Outstanding Company Voting Securities"); but excluding any acquisition by the Company or any of its Affiliates or by any employee benefit plan sponsored or maintained by the Company or any of its Affiliates;

(ii) a change in the composition of the Board such that members of the Board during any consecutive 12-month period (the "Incumbent Directors") cease to constitute a majority of the Board. Any person becoming a director through election or nomination for election approved by a valid vote of at least two thirds of the Incumbent Directors shall be an Incumbent Director; provided, however, that no individual becoming a director as a result of an actual or threatened election contest, as such terms are used in Rule

14a-12 of Regulation 14A promulgated under the U.S Exchange Act, or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be an Incumbent Director;

(iii) the approval by the shareholders of the Company of a plan of complete dissolution or liquidation of the Company; and

(iv) the consummation of a reorganization, recapitalization, merger, amalgamation, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company (a "Business Combination"), or sale, transfer, or other disposition of all or substantially all of the business or assets of the Company to an entity that is not an Affiliate of the Company (a "Sale"), unless immediately following such Business Combination or Sale: (A) more than 50% of the total voting power of the entity resulting from such Business Combination or the entity that acquired all or substantially all of the business or assets of the Company in such Sale (in either case, the "Surviving Company"), or the ultimate parent entity that has Beneficial Ownership of sufficient voting power to elect a majority of the board of directors (or analogous governing body) of the Surviving Company (the "Parent Company"), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination or Sale (or, if applicable, is represented by shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination or Sale) and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Outstanding Company Voting Securities among the holders thereof immediately prior to the Business Combination or Sale and
(B) no Person (other than any employee benefit plan sponsored or maintained by the Surviving Company or the Parent Company) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company); provided, that no Person or group shall be treated for purposes of this Section 9(f)(iv)(B) as having Beneficial Ownership of 50% or more of such total voting

power solely as a result of the voting power held in the Company prior to the consummation of the Business Combination or Sale.

(g) "Code" means the U.S. Internal Revenue Code of 1986, as amended, and any successor thereto. References to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successors thereto.

(h) "Committee" means the Compensation Committee of the Board or subcommittee thereof if required to comply with Rule 16b-3 promulgated under the U.S. Exchange Act in respect of Awards or, if no such Compensation Committee or

subcommittee thereof exists, or if the Board otherwise takes action hereunder on behalf of the Committee, the Board.

(i) "Common Shares" means the common shares of the Company (and any share or other securities into which such shares may be converted or into which it may be exchanged).

(j) "Disability" means any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of the Grantee's material duties and responsibilities under his employment agreement for a period of (x) one hundred and twenty (120) consecutive calendar days or (y) one hundred and fifty (150) total days during any period of three hundred and sixty-five (365) consecutive calendar days.

(k) "Eligible Director" means a person who is (i) a "non-employee director" within the meaning of Rule 16b-3 under the U.S Exchange Act and/or (ii) an "independent director" under applicable securities laws or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares, or a person meeting any similar requirement under any successor rule or regulation.

(l) "Fair Market Value" means, (i) with respect to Common Shares on a given date,
(x) if the Common Shares are listed on a national securities exchange, the closing sales price of the Common Shares reported on such exchange on such date, or if there is no such sale on that date, then on the last preceding date on which such a sale was reported; or (y) if the Common Shares are not listed on any national securities exchange, the amount determined by the Committee in good faith to be the fair market value of the Common Shares, or (ii) with respect to any other property, the amount determined by the Committee in good faith to be the fair market value of such other property.

(m) "NYSE" means the New York Stock Exchange.

(n) "Person" has the meaning given in Section 3(a)(9) of the U.S. Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include
(i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter
temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Common Shares of the Company.

(o) "TSX" means the Toronto Stock Exchange.

(p) "U.S. Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and any successor thereto. References to any section of (or rule promulgated under) the U.S Exchange Act shall be deemed to include any rules, regulations, or other interpretative guidance under such section or rule, and any amendments or successors thereto.

(q) "U.S. Securities Act" means the U.S. Securities Act of 1933, as amended, and any successor thereto. Reference in this Agreement to any section of (or rule promulgated under) the
U.S. Securities Act shall be deemed to include any rules, regulations, or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations, or other interpretive guidance.

**10. Administration.**

(a) The Committee shall administer this Agreement and shall have the sole and plenary authority to (i) determine the method by which this Award may be settled, canceled, forfeited, or suspended; (ii) determine the circumstances under which the delivery of cash, property, or other amounts payable with respect to this Award may be deferred either automatically or at the Grantee's or Committee's election; (iii) interpret and administer, reconcile any inconsistency in, correct any defect in, and supply any omission in this Agreement;
(iv) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Agreement; (v) accelerate the vesting or delivery of, or payment for or lapse of restrictions on, or waive any condition in respect of, this Award; and (vi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Agreement or to comply with any applicable law. To the extent required to comply with the provisions of Rule 16b-3 promulgated under the U.S. Exchange Act (if applicable and if the Board is not acting as the Committee under this Agreement) or the Canadian Securities Laws or any exception or exemption under applicable securities laws or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares, as applicable, it is intended that each member of the Committee shall, at the time the Grantee takes any action with respect to this Award, be an Eligible Director. However, the fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate this Award or action taken by the Committee that is otherwise validly taken under this Agreement.

(b) The Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members or to any one or more members of the Board. Any such allocation or delegation may be revoked by the Committee at any time.

(c) Unless otherwise expressly provided herein, all designations, determinations, interpretations, and other decisions regarding this Agreement shall be within the sole discretion of the Committee, may be made at any time, and shall be final,

conclusive, and binding upon all persons or entities, including, without limitation, the Company, any Affiliate, the Grantee, any holder or beneficiary of this Award, and any shareholder of the Company.

(d) No member of the Board or the Committee, nor any employee or agent of the Company (each such person, an "Indemnifiable Person"), shall be liable for any action taken or

omitted to be taken or any determination made with respect to this Agreement (unless constituting fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from all losses, costs, liabilities, and expenses (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit, or proceeding to which such Indemnifiable Person may be involved as a party, witness, or otherwise by reason of any action taken or omitted to be taken or determination made under this Agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company's approval (not to be unreasonably withheld), in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit, or proceeding against such Indemnifiable Person, and the Company shall advance to such Indemnifiable Person any such expenses promptly upon written request (which request shall include an undertaking by the Indemnifiable Person to repay the amount of such advance if it shall ultimately be determined as provided below that the Indemnifiable Person is not entitled to be indemnified); provided, that the Company shall have the right, at its own expense, to assume and defend any such action, suit, or proceeding, and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of recognized standing of the Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's articles of incorporation. The foregoing right of indemnification shall not be exclusive of or otherwise supersede any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's articles of incorporation, as a matter of law, individual indemnification agreement or contract, or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

(e) The Board may at any time and from time to time, administer this Agreement with respect to the Award. In any such case, the Board shall have all the authority granted to the Committee under this Agreement.

**11. Changes in Capital Structure and Similar Events.** In the event of (a) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash,

Common Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of Common Shares or other securities of the Company, issuance of warrants or other rights to acquire Common Shares or other securities of the Company, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the Common Shares, or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations, or other requirements of any governmental body or national securities exchange, accounting principles, or law, such that in any case an adjustment is determined by the Committee to be necessary or appropriate, then the Committee shall make any such adjustments in such manner as it may deem equitable, including without limitation any or all of the following:

(i) adjusting any or all of (A) the number and kind of common shares of the Company or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of this Award and (B) the terms of this Award, including, without limitation, the number and kind of shares of stock or other securities of the Company (or number and kind of other securities or other property) subject to this Award or to which this Award relates;

(ii) providing for a substitution or assumption of this Award, accelerating the delivery, vesting of, lapse of restrictions, and/or other conditions on, or termination of, this Award; and

(iii) cancelling this Award and causing to be paid to the holders thereof, in cash, Common Shares, other securities, or other property, or any combination thereof, the value of this Award, if any, as determined by the Committee (which if applicable may be based upon the price per Common Share received or to be received by other shareholders of the Company in such event);

provided, however, that the Committee shall make an equitable or proportionate adjustment to this Award to reflect any "equity restructuring" (within the meaning of the Financial Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)). Except as otherwise determined by the Committee, any adjustments under this Section 11 shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 promulgated under the U.S. Exchange Act. The Company shall give the Grantee notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

**12. Effect of Change in Control.** Except to the extent otherwise provided in any applicable employment or service agreement between the Grantee and the Company or an Affiliate, in the event of a Change in Control, notwithstanding any provision of this Agreement to the contrary:

(a) In the event that the Grantee's employment with the Company or an Affiliate is terminated by the Company or an Affiliate without Cause (and other than due to death or Disability) on or within 12 months following a Change in Control, the Committee may provide that the Restricted Period (and any other conditions) shall expire immediately with respect to 100% of the Restricted Stock Units.

(b) In addition, the Committee may upon at least 10 days' advance notice to the Grantee, cancel this Award and pay to the Grantee, in cash, securities or other property (including of the acquiring or successor company), or any combination thereof, the value of this Award based upon the price per Common Share received or to be received by other shareholders of the Company in the event. Notwithstanding the above, the Committee shall exercise such discretion over the timing of settlement of this Award subject to Section 409A of the Code at the time this Award is granted.

**13. Miscellaneous.**

(a) Transferability. The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered (a "Transfer") by the Grantee

other than as permitted by this Section 13(a). Any attempted Transfer of the Restricted Stock Units contrary to the provisions hereof, and the levy of any execution, attachment, or similar process upon the Restricted Stock Units, shall be null and void and without effect.

(i) This Award may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Grantee other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company or an Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may permit this Award to be transferred by the Grantee, without consideration, subject to such rules as the Committee may adopt, to (A) any person who is a "family member" of the Grantee, as such term is used in the instructions to Form S-8 under the U.S. Securities Act or any successor form of registration statements promulgated by the Securities and Exchange Commission (collectively, the "Immediate Family Members"); (B) a trust solely for the benefit of the Grantee and the Grantee's Immediate Family Members; (C) a partnership or limited liability company whose only partners or shareholders are the Grantee and the Grantee's Immediate Family Members; or (D) any other transferee as may be approved by the Board or the Committee; (each transferee described in clause (A), (B), (C), or (D) above is hereinafter referred to as a "Permitted Transferee"), provided that the Grantee gives

the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Grantee in writing that such a transfer would comply with the requirements of this Agreement.

(iii) The terms of this Award transferred in accordance with the immediately preceding paragraph shall apply to the Permitted Transferee, and any reference in this Agreement to the Grantee shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Grantee under this Agreement or otherwise; and (C) the consequences of the termination of the Grantee's employment by, or services to, the Company or an Affiliate under the terms of this Agreement shall continue to be applied with respect to the transferred Award.

(b) Amendment. At any time, and from time to time, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel, or terminate this Award theretofore granted or this Agreement, prospectively or retroactively (including after the Grantee's termination of employment or service with the Company), which may include, but are not limited to (i) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of this Agreement, correct or supplement any provision under this Agreement that is inconsistent with any other provision of this Agreement, correct any grammatical or typographical errors, or amend the definitions in this Agreement regarding administration of this Agreement; (ii) the addition of a form of financial assistance and any amendment to a financial assistance provision that

is adopted; (iii) amend the vesting provisions of this Agreement; (iv) any amendment respecting the administration of this Agreement; (v) any amendment necessary to comply with applicable law or the applicable rules of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares or any other regulatory body having authority over the Company, this Agreement, the Grantee, or shareholders; and (vi) any other amendment that does not require the approval of shareholders under this Section 13(b); provided, (i) no such amendment, alteration, suspension, discontinuation, or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to this Agreement (including, without limitation, as necessary to comply with any applicable rules or requirements of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares, or for changes in GAAP to new accounting standards), and (ii) any such waiver, amendment, alteration, suspension, discontinuance, cancellation, or termination that would materially and adversely affect the rights of the Grantee with respect to this Award theretofore granted shall not to that extent be effective without the consent of the Grantee unless the Committee determines that such waiver, amendment, alteration, suspension, discontinuance, cancellation, or termination either is

required or advisable in order for the Company or the Award to satisfy any applicable law or regulation; provided, further, that except as otherwise permitted under Section 11 of this Agreement, if (i) any amendment that would permit this Award to be transferable or assignable other than for normal estate settlement purposes; (ii) any amendment requiring the approval of the Company's shareholders under applicable requirements of the NYSE, the TSX, or any other national securities exchange on which the Company has applied to list or quote its Common Shares; or (iii) any amendment to this Section 13(b), then, in the case of the immediately preceding clauses (i) through (iii), any such action shall not be effective without shareholder approval.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) No Trust or Fund Created. This Agreement shall not create nor be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate, on the one hand, and the Grantee or other person or entity, on the other hand. No provision of this Agreement shall require the Company, for the purpose of satisfying any obligations under this Agreement, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records, or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. The Grantee shall have no rights under this Agreement other than as unsecured general creditors of the Company.

(e) Notices. Every notice and other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to the Grantee's address as recorded in the records of the Company or any Subsidiary.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Continued Service. Nothing contained in this Agreement shall be construed as giving the Grantee any right to be retained, in any position, as an employee,

consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate, or discharge the Grantee at any time for any reason whatsoever.

(h) Termination of Employment or Service. The Committee, in its sole discretion, shall determine the effect of all matters and questions related to the termination of employment or service of the Grantee. Except as otherwise provided in any employment or service agreement between the Grantee and the Company or an Affiliate, unless determined otherwise by the Committee: (i) neither a temporary absence from employment or service due to illness, vacation, or leave of absence (including, without limitation, a call to active duty for military service through a Reserve or National guard unit) nor a transfer from employment or service with the Company to employment or service with an Affiliate (or vice versa) shall be considered a termination of employment or service with the Company or an Affiliate, and (ii) if the Grantee's employment with the Company or its Affiliates terminates, but the Grantee continues to provide services with the Company or its Affiliates in a non-employee capacity (including as a non employee director) (or vice versa), such change in status shall not be considered a termination of employment or service with the Company or an Affiliate for purposes of this Agreement.

(i) Fractional Common Shares. No fractional Common Shares shall be issued upon the settlement of any Restricted Stock Unit granted hereunder, and accordingly, if the Grantee would become entitled to a fractional Common Share upon the settlement of a Restricted Stock Unit, or from an adjustment permitted by the terms of this Agreement, the Grantee shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(j) Beneficiary. The Grantee may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

(k) Beneficiary Designation. The Grantee's beneficiary shall be the Grantee's spouse (or domestic partner if such status is recognized by the Company and in such jurisdiction), or if the Grantee is otherwise unmarried at the time of death, the Grantee's estate, except to the extent that a different beneficiary is designated in accordance with procedures that may be established

by the Committee from time to time for such purpose. Notwithstanding the foregoing, in the absence of a beneficiary validly designated under such Committee-established procedures and/or applicable law who is living (or in existence) at the time of death of the Grantee residing or working outside the United States, any required distribution under this Agreement shall be made to the executor or administrator of the estate of the Grantee, or to such other individual as may be prescribed by applicable law.

(l) Payments to Persons Other Than the Grantee. If the Committee shall find that any person to whom any amount is payable under this Agreement is unable to care for the Grantee's affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or the Grantee's estate (unless a prior claim therefor has been made by a duly appointed legal representative or a beneficiary designation form has been filed with the Company) may, if the Committee so directs the Company, be paid to the Grantee's spouse, child, or relative, or an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(m) Nonexclusivity of the Agreement. Neither the adoption of this Agreement by the Board nor the submission of this Agreement to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options or other rights or awards otherwise than under this Agreement, and such arrangements may be either applicable generally or only in specific cases.

(n) Reliance on Reports. Each member of the Committee and each member of the Board (and each such member's respective designees) shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent registered public accounting firm of the Company and its Affiliates and/or any other information furnished in connection with this Agreement by any agent of the Company or the Committee or the Board, other than such member or designee.

(o) No Representations or Covenants With Respect to Tax Qualification. Although the Company may endeavor to (i) qualify an Award for favorable U.S. or non-U.S. tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on the Grantee under this Agreement.

(p) Relationship to Other Benefits. No payment under this Agreement shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance, or other benefit plan of the Company except as otherwise specifically provided in such other plan.

(q) Purchase for Investment. Whether or not the shares covered by this Agreement have been registered under the U.S. Securities Act, each person acquiring shares under this Agreement may be required by the Company to give a representation in writing that such person is acquiring such shares for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. The Company will endorse any necessary legend referring to the foregoing restriction upon the certificate or certificates

representing any shares issued or transferred to the Grantee upon the settlement of any Restricted Stock Units granted hereunder.

(r) 409A of the Code.

(i) It is intended that this Agreement comply with Section 409A of the Code, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. The Grantee is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of the Grantee in connection with this Agreement or any other plan maintained by the Company, including any taxes and penalties under Section 409A of the Code, and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold the Grantee or any beneficiary harmless from any or all of such taxes or penalties. In the event that this Award is considered "deferred compensation" subject to Section 409A of the Code, references in this Agreement to "termination of employment" (and substantially similar phrases) shall mean "separation from service" within the meaning of Section 409A of the Code. For purposes of Section 409A of the Code, each of the payments that may be made in respect of this Award granted hereunder is designated as a separate payment.

(ii) Notwithstanding anything in this Agreement to the contrary, if the Grantee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments or deliveries in respect of this Award that are "deferred compensation" subject to Section 409A of the Code shall be made to the Grantee on account of the Grantee's "separation from service" within the meaning of Section 409A of the Code prior to the date that is six months after the date of such "separation from service" or, if earlier, the Grantee's date of death. All such delayed payments or deliveries will be paid or delivered (without interest) in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day.

(iii) In the event that the timing of payments in respect of this Award that would otherwise be considered "deferred compensation" subject to Section 409A of the Code would be accelerated upon the occurrence of (A) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation pursuant to Section 409A of the Code or (B) a Disability, no such acceleration shall be permitted unless the Disability also satisfies the definition of "Disability" pursuant to Section 409A of the Code.

(s) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Grantee and the

beneficiaries, executors, administrators, heirs, and successors and permitted transferees of the Grantee.

(t) Entire Agreement. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto.

(u) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of New York.

(v) Venue; Waiver of Jury Trial.

(i) The Grantee and the Company (on behalf of itself and its Affiliates) each consent to jurisdiction in the United States District Court for the Southern District of New York, or if that court is unable to exercise jurisdiction for any reason, the Supreme Court of the State of New York, New York County, in the event of any dispute arising hereunder, and each waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process and waives any objection to jurisdiction based on improper venue or improper jurisdiction.

(ii) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(w) No Interference. The existence of this Agreement shall not affect or restrict in any way the right or power of the Company, the Board, the Committee, or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization, or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants, or rights to purchase stock or of bonds, debentures, or preferred or prior preference stocks whose rights are superior to or affect the Common Shares or the rights thereof or that are convertible into or exchangeable for Common Shares, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of their assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(x) Expenses: Headings. The expenses of administering this Agreement shall be borne by the Company and its Affiliates. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(y) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pelf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall

become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first written above.

PERFORMANCE SPORTS GROUP LTD.

By: _____

Mark J. Vendetti

**Exhibit 10.5**

**Performance Sports Group Ltd.**
**Deferred Stock Unit Award Agreement**

This Deferred Stock Unit Award Agreement (this " Agreement"), dated as of [DATE], is made by and between Performance Sports Group Ltd., a corporation organized under the laws of British Columbia, Canada (the "Company"), and [NAME] (the " Grantee").

**WHEREAS**, the Company has adopted the Performance Sports Group Ltd. Omnibus Equity Incentive Plan (as may be amended from time to time, the "Plan");

**WHEREAS**, the Grantee has made an irrevocable election to defer a portion of his or her cash director fees (the "Director's Remuneration) in the form of Deferred Stock Units provided for herein, subject to the terms set forth herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and for their successors and assigns, hereby agree as follows:

**1. Method of Electing to Defer Director's Remuneration.** Unless otherwise permitted by the Company, to elect to receive Deferred Stock Units, the Eligible Director shall complete and deliver to the Company, a written irrevocable election (as set out in Schedule A attached) by no later than the last day of the fiscal year preceding the fiscal year respecting which the Director's Remuneration becomes payable. The Eligible Director's written election shall, subject to any minimum amount that may be required by the Company, designate the portion or percentage of the Director's Remuneration for the applicable fiscal year that is to be deferred into Deferred Stock Units, with the remaining portion or percentage to be paid in cash in accordance with the Company's regular practices of paying such cash compensation. In the absence of a designation to the contrary, the Eligible Director's election for the most recently ended fiscal year with respect to the portion or percentage of the Director's Remuneration that is to be deferred into Deferred Stock Units shall continue to apply to all subsequent Director's Remuneration payments until the Eligible Director submits another written election in accordance with this paragraph. An Eligible Director shall only file one election in respect of the Director's Remuneration payable in any fiscal year and the election shall be irrevocable for that fiscal year. If no election is made, and no prior election remains effective, with respect to any fiscal year, the Eligible Director shall be deemed to have elected to defer any minimum amount that may be required by the Company into Deferred Stock Units and to receive the balance of the Director's Remuneration for the applicable fiscal year quarter in cash. For the first year of an Eligible Director's service with the Company, the Eligible Director must make such election as soon as possible, and, in all events no later than 30 days, after commencing service, and the election shall be effective on the first day of the fiscal quarter of the Company next following the date of the Company's receipt of the election.

**2. Grant of Deferred Stock Units.**

(a) Grant. The portion or percentage of the Director's Remuneration credited as Deferred Stock Units, as elected by the Grantee, shall be determined on the first business day following the last day of each fiscal year quarter for which the Director's Remuneration is payable and with respect to which such deferral election is effective (with respect to each such quarter, the "Date of Grant"), and shall equal a number of Deferred Stock Units, rounded down to the nearest whole number, determined by dividing the dollar amount of such Director's Remuneration so deferred for such quarter by the Fair Market Value of one Common Share as of such Date of Grant. All Deferred Stock Units to be credited to the Grantee pursuant to the election provided in Section 1 above, shall be subject to the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Deferred Stock Units shall be credited to a separate book-entry account maintained on the books of the Company for the Grantee.

(b) Incorporation by Reference, Etc. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules, and regulations promulgated by the Committee from time to time pursuant to the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Grantee and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. The Grantee acknowledges that the Grantee has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

**3. Vesting; Forfeiture.** The Deferred Stock Units shall be fully vested on the applicable Date of Grant and shall not be subject to forfeiture.

**4. Settlement.** The Company shall settle the Deferred Stock Units granted hereunder upon the Grantee's separation from service with the Company, in accordance with Section 9(d)(iii) of the Plan, at which time the Company shall, subject to any required tax withholding and the execution of any required documentation, issue and deliver to the Grantee one Common Share for each Deferred Stock Unit (and, upon such settlement, the Deferred Stock Units shall cease to be credited to the Grantee's account). Alternatively, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of settling the Deferred Stock Units solely in Common Shares. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of the Common Shares otherwise issuable as of the Grantee's separation from service with the Company, less an amount equal to any federal, state, provincial, and local income and employment taxes required to be withheld.

**5. Tax Withholding.** The Company shall be entitled to require, as a condition to the issuance or delivery of any Common Shares or the payment of any cash in settlement of the Deferred Stock Units granted hereunder, that the Grantee remit an amount in cash or, in the discretion of the Company, Common Shares or other property having a Fair Market Value sufficient to satisfy all federal, state, provincial, and local or other applicable withholding and

employment taxes relating thereto. In addition, the Company shall have the right and is hereby authorized to withhold from the Common Shares or cash otherwise deliverable upon settlement of the Deferred Stock Units, or from any compensation or other amount owing to the Grantee, the amount (in cash or, in the discretion of the Company, Common Shares or other property) of any applicable withholding and employment taxes in respect of the settlement of the Deferred Stock Units and to take such other action as may be necessary in the discretion of the Company to satisfy all obligations for the payment of such taxes.

**6. Rights as a Shareholder.** The Grantee shall not be deemed for any purpose, nor shall the Grantee have any of the rights or privileges of, a shareholder of the Company in respect of any Common Shares subject to the Deferred Stock Units granted hereunder unless and until (i) such Deferred Stock Units shall have been settled in Common Shares pursuant to the terms hereof, and (ii) the Company shall have issued and delivered such Common Shares to the Grantee. The Company shall cause the actions described in clause (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

**7. Dividend Equivalents.** In the event that a dividend becomes payable on the Common Shares after the Date of Grant and prior to the settlement date of the Deferred Stock Units granted hereunder, then on the payment date for such dividend, the Grantee's book-entry account in respect of such Deferred Stock Units shall be credited with additional Deferred Stock Units (including fractional Deferred Stock Units) of the same kind as credited in the Grantee's book-entry account, the number of which shall be determined by dividing (i) the amount determined by multiplying (a) the number of Deferred Stock Units in the Grantee's book-entry account on the record date for the payment of such dividend by (b) the dividend paid per Common Share, by (ii) the Fair Market Value of a Common Share on the dividend payment date for such dividend, in each case, with fractions computed to two decimal places.

**8. Compliance with Legal Requirements.** The granting and settlement of the Deferred Stock Units, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, provincial and local laws, rules, and regulations and to such approvals by any regulatory or governmental agency (including stock exchanges) as may be required. The Committee shall have the right to impose such restrictions on the Deferred Stock Units as it deems reasonably necessary or advisable under applicable securities laws and the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time.

**9. Clawback.** The Deferred Stock Units and the Common Shares acquired upon settlement of the Deferred Stock Units shall be subject to clawback, forfeiture, or similar consequences described in clause (ii) of Section 15(v) of the Plan for the reasons described in clauses (i) and (iii) of Section 15(v) of the Plan and shall be subject (including on a retroactive basis) to clawback, forfeiture, or similar requirements (which requirements shall be deemed incorporated by reference into this Agreement) to the extent required by applicable law (including without limitation Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), or the rules and regulations of any national securities

exchange on which the Company has applied to list or quote its Common Shares from time to time, or under a written policy adopted by the Company.

**10. Miscellaneous.**

(a) Transferability. The Deferred Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered (a "Transfer") by the Grantee other than as permitted by Section 15(b) of the Plan. Any attempted Transfer of the Deferred Stock Units contrary to the provisions hereof, and the levy of any execution, attachment, or similar process upon the Deferred Stock Units, shall be null and void and without effect.

(b) Amendment. At any time, and from time to time, the Committee may amend the terms of this Agreement in accordance with Section 14 of the Plan.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Unfunded Benefit. All amounts credited in respect of the Deferred Stock Units to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Grantee's interest in such account shall make the Grantee only a general unsecured creditor of the Company.

(e) Notices. Every notice and other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to the Grantee's address as recorded in the records of the Company or any Subsidiary.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Continued Service . Nothing contained in this Agreement shall be construed as giving the Grantee any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate, or discharge the Grantee at any time for any reason whatsoever.

(h) Fractional Common Shares. No fractional Common Shares shall be issued upon the settlement of any Deferred Stock Unit granted under the Plan, and accordingly, if the Grantee would become entitled to a fractional Common Share upon the settlement of a Deferred Stock Unit, or from an adjustment permitted by the terms of the Plan, the Grantee shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(i) Beneficiary. The Grantee may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Grantee and the beneficiaries, executors, administrators, heirs, and successors and permitted transferees of the Grantee.

(k) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto.

(l) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of New York.

(m) Venue; Waiver of Jury Trial.

**(i)** The Grantee and the Company (on behalf of itself and its Affiliates) each consent to jurisdiction in the United States District Court for the Southern District of New York, or if that court is unable to exercise jurisdiction for any reason, the Supreme Court of the State of New York, New York County, in the event of any dispute arising hereunder, and each waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process and waives any objection to jurisdiction based on improper venue or improper jurisdiction.

**(ii)** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE PLAN OR THIS AGREEMENT.

(n) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(o) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first written above.

PERFORMANCE SPORTS GROUP LTD.

By: __

_____
[NAME]

**SCHEDULE "A"**
**PERFORMANCE SPORTS GROUP LTD. (THE "COMPANY")**
**DEFFERED STOCK UNIT ELECTION NOTICE**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Pursuant to the Omnibus Equity Incentive Plan (the "**Plan**"), I hereby elect to receive_____% of my Director's Remuneration in the form of Deferred Stock Units in lieu of cash.

I confirm that:

(a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.

(b) I have requested and am satisfied that the Plan and the foregoing be drawn up in the English language.*Le soussigné reconnaît qu'il a exigé que le Régime et ce qui précède soient rédigés et exécutés en anglais et s'en déclare satisfait.*

(c) I recognize that when Deferred Stock Units are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time.

(d) The value of Deferred Stock Units is based on the value of the Common Shares of the Company and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan.

Date:__ __

(Name of Participant)

__

(Signature of Participant)

**Exhibit 10.6**

**Performance Sports Group Ltd.**
**Deferred Stock Unit Award Agreement**

This Deferred Stock Unit Award Agreement (this "Agreement"), dated as of [DATE], is made by and between Performance Sports Group Ltd., a corporation organized under the laws of British Columbia, Canada (the "Company"), and [NAME] (the "Grantee").

**WHEREAS**, the Company has adopted the Performance Sports Group Ltd. Omnibus Equity Incentive Plan (as may be amended from time to time, the "Plan");

**WHEREAS**, the Grantee has made an irrevocable election to defer a portion of his or her cash director fees (the "Director's Remuneration) in the form of Deferred Stock Units provided for herein, subject to the terms set forth herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and for their successors and assigns, hereby agree as follows:

**1. Method of Electing to Defer Director's Remuneration.** Unless otherwise permitted by the Company, to elect to receive Deferred Stock Units, the Eligible Director shall complete and deliver to the Company, a written irrevocable election (as set out in Schedule A attached) by no later than the last day of the fiscal year preceding the fiscal year respecting which the Director's Remuneration becomes payable. The Eligible Director's written election shall, subject to any minimum amount that may be required by the Company, designate the portion or percentage of the Director's Remuneration for the applicable fiscal year that is to be deferred into Deferred Stock Units, with the remaining portion or percentage to be paid in cash in accordance with the Company's regular practices of paying such cash compensation. In the absence of a designation to the contrary, the Eligible Director's election for the most recently ended fiscal year with respect to the portion or percentage of the Director's Remuneration that is to be deferred into Deferred Stock Units shall continue to apply to all subsequent Director's Remuneration payments until the Eligible Director submits another written election in accordance with this paragraph. An Eligible Director shall only file one election in respect of the Director's Remuneration payable in any fiscal year and the election shall be irrevocable for that fiscal year. If no election is made, and no prior election remains effective, with respect to any fiscal year, the Eligible Director shall be deemed to have elected to defer any minimum amount that may be required by the Company into Deferred Stock Units and to receive the balance of the Director's Remuneration for the applicable fiscal year quarter in cash. For the first year of an Eligible Director's service with the Company, the Eligible Director must make such election as soon as possible, and, in all events no later than 30 days, after commencing service, and the election shall be effective on the first day of the fiscal quarter of the Company next following the date of the Company's receipt of the election.

**2. Grant of Deferred Stock Units.**

(a) Grant. The portion or percentage of the Director's Remuneration credited as Deferred Stock Units, as elected by the Grantee, shall be determined on the first business day following the last day of each fiscal year quarter for which the Director's Remuneration is payable and with respect to which such deferral election is effective (with respect to each such quarter, the "Date of Grant"), and shall equal a number of Deferred Stock Units, rounded down to the nearest whole number, determined by dividing the dollar amount of such Director's Remuneration so deferred for such quarter by the Fair Market Value of one Common Share as of such Date of Grant. All Deferred Stock Units to be credited to the Grantee pursuant to the election provided in Section 1 above, shall be subject to the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Deferred Stock Units shall be credited to a separate book-entry account maintained on the books of the Company for the Grantee.

(b) Incorporation by Reference, Etc. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules, and regulations promulgated by the Committee from time to time pursuant to the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Grantee and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. The Grantee acknowledges that the Grantee has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

**3. Vesting; Forfeiture.** The Deferred Stock Units shall be fully vested on the applicable Date of Grant and shall not be subject to forfeiture.

**4. Settlement.** The Company shall settle the Deferred Stock Units granted hereunder as soon as possible after the Grantee ceases to be a director, and if applicable, an employee of the Company for any reason including as a result of retirement, death, or termination of employment with the Company, in accordance with Section 9(d)(iii) of the Plan, at which time the Company shall, subject to any required tax withholding and the execution of any required documentation, issue and deliver to the Grantee one Common Share for each Deferred Stock Unit (and, upon such settlement, the Deferred Stock Units shall cease to be credited to the Grantee's account). Such settlement will occur no later than December 31 of the first calendar year commencing after the date that the Grantee ceases to be a director, and if applicable, an employee of the Company for any reason including as a result of retirement, death, or termination of employment for any reason. Alternatively, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of settling the Deferred Stock Units solely in Common Shares. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of the Common Shares otherwise issuable as of the Grantee's retirement, death, or termination of employment with the Company, less an amount equal to any federal, state, provincial, and local income and employment taxes required to be withheld.

**5. Tax Withholding.** The Company shall be entitled to require, as a condition to the issuance or delivery of any Common Shares or the payment of any cash in settlement of the Deferred Stock Units granted hereunder, that the Grantee remit an amount in cash or, in the discretion of the Company, Common Shares or other property having a Fair Market Value sufficient to satisfy all federal, state, provincial, and local or other applicable withholding and employment taxes relating thereto. In addition, the Company shall have the right and is hereby authorized to withhold from the Common Shares or cash otherwise deliverable upon settlement of the Deferred Stock Units, or from any compensation or other amount owing to the Grantee, the amount (in cash or, in the discretion of the Company, Common Shares or other property) of any applicable withholding and employment taxes in respect of the settlement of the Deferred Stock Units and to take such other action as may be necessary in the discretion of the Company to satisfy all obligations for the payment of such taxes.

**6. Rights as a Shareholder.** The Grantee shall not be deemed for any purpose, nor shall the Grantee have any of the rights or privileges of, a shareholder of the Company in respect of any Common Shares subject to the Deferred Stock Units granted hereunder unless and until (i) such Deferred Stock Units shall have been settled in Common Shares pursuant to the terms hereof, and (ii) the Company shall have issued and delivered such Common Shares to the Grantee. The Company shall cause the actions described in clause (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

**7. Dividend Equivalents.** In the event that a dividend becomes payable on the Common Shares after the Date of Grant and prior to the settlement date of the Deferred Stock Units granted hereunder, then on the payment date for such dividend, the Grantee's book-entry account in respect of such Deferred Stock Units shall be credited with additional Deferred Stock Units (including fractional Deferred Stock Units) of the same kind as credited in the Grantee's book-entry account, the number of which shall be determined by dividing (i) the amount determined by multiplying (a) the number of Deferred Stock Units in the Grantee's book-entry account on the record date for the payment of such dividend by (b) the dividend paid per Common Share, by (ii) the Fair Market Value of a Common Share on the dividend payment date for such dividend, in each case, with fractions computed to two decimal places.

**8. Compliance with Legal Requirements.** The granting and settlement of the Deferred Stock Units, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, provincial and local laws, rules, and regulations and to such approvals by any regulatory or governmental agency (including stock exchanges) as may be required. The Committee shall have the right to impose such restrictions on the Deferred Stock Units as it deems reasonably necessary or advisable under applicable securities laws and the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time.

**9. Clawback.** The Deferred Stock Units and the Common Shares acquired upon settlement of the Deferred Stock Units shall be subject to clawback, forfeiture, or similar consequences described in clause (ii) of Section 15(v) of the Plan for the reasons described in clauses (i) and

(iii) of Section 15(v) of the Plan and shall be subject (including on a retroactive basis) to clawback, forfeiture, or similar requirements (which requirements shall be deemed incorporated by reference into this Agreement) to the extent required by applicable law (including without limitation Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), or the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time, or under a written policy adopted by the Company.

**10. Miscellaneous.**

(a) Transferability. The Deferred Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered (a "Transfer") by the Grantee other than as permitted by Section 15(b) of the Plan. Any attempted Transfer of the Deferred Stock Units contrary to the provisions hereof, and the levy of any execution, attachment, or similar process upon the Deferred Stock Units, shall be null and void and without effect.

(b) Amendment. At any time, and from time to time, the Committee may amend the terms of this Agreement in accordance with Section 14 of the Plan.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Unfunded Benefit. All amounts credited in respect of the Deferred Stock Units to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Grantee's interest in such account shall make the Grantee only a general unsecured creditor of the Company.

(e) Notices. Every notice and other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to the Grantee's address as recorded in the records of the Company or any Subsidiary.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Continued Service. Nothing contained in this Agreement shall be construed as giving the Grantee any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate, or discharge the Grantee at any time for any reason whatsoever.

(h) Fractional Common Shares. No fractional Common Shares shall be issued upon the settlement of any Deferred Stock Unit granted under the Plan, and accordingly, if the Grantee would become entitled to a fractional Common Share upon the settlement of a Deferred Stock Unit, or from an adjustment permitted by the terms of the Plan, the Grantee shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(i) Beneficiary. The Grantee may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Grantee and the beneficiaries, executors, administrators, heirs, and successors and permitted transferees of the Grantee.

(k) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto.

(l) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of New York.

(m) Venue; Waiver of Jury Trial.

**(i)** The Grantee and the Company (on behalf of itself and its Affiliates) each consent to jurisdiction in the United States District Court for the Southern District of New York, or if that court is unable to exercise jurisdiction for any reason, the Supreme Court of the State of New York, New York County, in the event of any dispute arising hereunder, and each waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process and waives any objection to jurisdiction based on improper venue or improper jurisdiction.

**(ii)** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE PLAN OR THIS AGREEMENT.

(n) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(o) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first written above.

PERFORMANCE SPORTS GROUP LTD.

By: __

_____
[NAME]

**SCHEDULE "A"**
**PERFORMANCE SPORTS GROUP LTD. (THE "COMPANY")**
**DEFFERED STOCK UNIT ELECTION NOTICE**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Pursuant to the Omnibus Equity Incentive Plan (the "**Plan**"), I hereby elect to receive_____% of my Director's Remuneration in the form of Deferred Stock Units in lieu of cash.

I confirm that:

(a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.

(b) I have requested and am satisfied that the Plan and the foregoing be drawn up in the English language.*Le soussigné reconnaît qu'il a exigé que le Régime et ce qui précède soient rédigés et exécutés en anglais et s'en déclare satisfait.*

(c) I recognize that when Deferred Stock Units are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time.

(d) The value of Deferred Stock Units is based on the value of the Common Shares of the Company and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan.

Date:__ __

(Name of Participant)

__

(Signature of Participant)

**Exhibit 10.7**

**Performance Sports Group Ltd.**
**Restricted Stock Unit Award Agreement**

This Restricted Stock Unit Award Agreement (this "Agreement"), dated as of [DATE] (the " Date of Grant"), is made by and between Performance Sports Group Ltd., a corporation organized under the laws of British Columbia, Canada (the "Company"), and [NAME] (the " Grantee").

**WHEREAS**, the Company has adopted the Performance Sports Group Ltd. Omnibus Equity Incentive Plan (as may be amended from time to time, the "Plan");

**WHEREAS**, the Committee has determined that it is in the best interests of the Company to grant to the Grantee the Restricted Stock Units provided for herein, subject to the terms set forth herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and for their successors and assigns, hereby agree as follows:

**1. Grant of Restricted Stock Units.**

(a) Grant. The Company hereby grants to the Grantee a total of [NUMBER] Restricted Stock Units, on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Restricted Stock Units shall be credited to a separate book-entry account maintained on the books of the Company for the Grantee.

(b) Incorporation by Reference, Etc. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules, and regulations promulgated by the Committee from time to time pursuant to the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Grantee and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. The Grantee acknowledges that the Grantee has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

**2. Vesting; Forfeiture.** The Restricted Stock Units shall become vested in 25% cumulative installments on each of the first four anniversaries of the Date of Grant (each, a "Vesting Date"), provided that the Grantee remains continuously engaged in active service by the Company or one of its Affiliates from the Date of Grant through such Vesting Date. In the event that the Grantee's continuous service is terminated by the Company or by the Grantee for any reason, the Grantee shall forfeit the unvested portion of the Restricted Stock Units as of the Grantee's Termination Date (as defined below). For the purposes of this Agreement, the Grantee's employment shall be

considered to have terminated effective on the last day of the Grantee's actual and active employment with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Grantee or the Company or Affiliate, and whether with or without advance notice to the Grantee. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Grantee's actual last day of actual and active employment shall be considered as extending the Grantee's period of employment for the purposes of determining his or her entitlement under the Plan (collectively referred to herein as the "Termination Date").

**3. Settlement.** Within 30 days following each Vesting Date, the Company shall settle the vested portion of the Restricted Stock Units and shall therefore, subject to any required tax withholding and the execution of any required documentation, issue and deliver to the Grantee one Common Share for each Restricted Stock Unit (and, upon such settlement, the Restricted Stock Units shall cease to be credited to the Grantee's account).

**4. Tax Withholding.** The Company shall be entitled to require, as a condition to the issuance or delivery of any Common Shares, that the Grantee remit an amount in cash or, in the discretion of the Company, Common Shares or other property having a Fair Market Value sufficient to satisfy all federal, state, provincial, and local or other applicable withholding and employment taxes relating thereto. In addition, the Company shall have the right and is hereby authorized to withhold from the Common Shares otherwise deliverable upon settlement of the Restricted Stock Units, or from any compensation or other amount owing to the Grantee, the amount (in cash or, in the discretion of the Company, Common Shares or other property) of any applicable withholding and employment taxes in respect of the vesting or settlement of the Restricted Stock Units and to take such other action as may be necessary in the discretion of the Company to satisfy all obligations for the payment of such taxes.

**5. Rights as a Shareholder.** The Grantee shall not be deemed for any purpose, nor shall the Grantee have any of the rights or privileges of, a shareholder of the Company in respect of any Common Shares subject to the Restricted Stock Units granted hereunder unless and until (i) such Restricted Stock Units shall have been settled in Common Shares pursuant to the terms hereof, and (ii) the Company shall have issued and delivered such Common Shares to the Grantee. The Company shall cause the actions described in clause (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws

**6. Dividend Equivalents.** In the event that a dividend becomes payable on the Common Shares prior to the settlement date of the Restricted Stock Units granted hereunder, then on the payment date for such dividend, the Grantee's book-entry account in respect of such Restricted Stock Units shall be credited with additional Restricted Stock Units (including fractional Restricted Stock Units) of the same kind as credited in the Grantee's book-entry account, the number of which shall be determined by dividing (i) the amount determined by multiplying (a) the number of Restricted Stock Units in the Grantee's book-entry account (whether vested or unvested) on the record date for the payment of such dividend by (b) the dividend paid per

Common Share, by (ii) the Fair Market Value of a Common Share on the dividend payment date for such dividend, in each case, with fractions computed to two decimal places. Such additional Restricted Stock Units (including fractional Restricted Stock Units), if credited, shall vest on the same basis as the underlying Restricted Stock Units.

**7. Compliance with Legal Requirements.** The granting and settlement of the Restricted Stock Units, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, provincial, and local laws, rules, and regulations and to such approvals by any regulatory or governmental agency (including stock exchanges) as may be required. The Committee shall have the right to impose such restrictions on the Restricted Stock Units as it deems reasonably necessary or advisable under applicable securities laws and the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time.

**8. Clawback.** The Restricted Stock Units and the Common Shares acquired upon settlement of the Restricted Stock Units shall be subject to clawback, forfeiture, or similar consequences described in clause (ii) of Section 15(v) of the Plan for the reasons described in clauses (i) and (iii) of Section 15(v) of the Plan and shall be subject (including on a retroactive basis) to clawback, forfeiture, or similar requirements (which requirements shall be deemed incorporated by reference into this Agreement) to the extent required by applicable law (including without limitation Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), or the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time, or under a written policy adopted by the Company.

**9. Miscellaneous.**

(a) Transferability. The Restricted Stock Units may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered (a "Transfer") by the Grantee other than as permitted by Section 15(b) of the Plan. Any attempted Transfer of the Restricted Stock Units contrary to the provisions hereof, and the levy of any execution, attachment, or similar process upon the Restricted Stock Units, shall be null and void and without effect.

(b) Amendment. At any time, and from time to time, the Committee may amend the terms of this Agreement in accordance with Section 14 of the Plan.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Unfunded Benefit. All amounts credited in respect of the Restricted Stock Units to the book-entry account under this Agreement shall continue for all purposes to be part of the

general assets of the Company. The Grantee's interest in such account shall make the Grantee only a general unsecured creditor of the Company.

(e) Notices. Every notice and other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to the Grantee's address as recorded in the records of the Company or any Subsidiary.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Continued Service. Nothing contained in this Agreement shall be construed as giving the Grantee any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate, or discharge the Grantee at any time for any reason whatsoever.

(h) Fractional Common Shares. No fractional Common Shares shall be issued upon the settlement of any Restricted Stock Unit granted under the Plan, and accordingly, if the Grantee would become entitled to a fractional Common Share upon the settlement of a Restricted Stock Unit, or from an adjustment permitted by the terms of the Plan, the Grantee shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(i) Beneficiary. The Grantee may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Grantee and the beneficiaries, executors, administrators, heirs, and successors and permitted transferees of the Grantee.

(k) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto.

(l) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law thereof, or

principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of New York.

(m) Venue; Waiver of Jury Trial.

**(i)** The Grantee and the Company (on behalf of itself and its Affiliates) each consent to jurisdiction in the United States District Court for the Southern District of New York, or if that court is unable to exercise jurisdiction for any reason, the Supreme Court of the State of New York, New York County, in the event of any dispute arising hereunder, and each waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process and waives any objection to jurisdiction based on improper venue or improper jurisdiction.

**(ii)** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE PLAN OR THIS AGREEMENT.

(n) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(o) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first written above.

PERFORMANCE SPORTS GROUP LTD.

By: __

_____
[NAME]

**Exhibit 10.8**

**Performance Sports Group Ltd.**
**Nonqualified Stock Option Award Agreement**

This Nonqualified Stock Option Award Agreement (this "Agreement"), dated as of [DATE] (the " Date of Grant"), is made by and between Performance Sports Group Ltd., a corporation organized under the laws of British Columbia, Canada (the "Company"), and [NAME] (the " Grantee").

**WHEREAS**, the Company has adopted the Performance Sports Group Ltd. Omnibus Equity Incentive Plan (as may be amended from time to time, the "Plan");

**WHEREAS**, the Company wishes to afford the Grantee the opportunity to purchase its common shares ("Common Shares"); and

**WHEREAS**, the Committee has determined that it is in the best interests of the Company to grant to the Grantee the nonqualified Option provided for herein, subject to the terms set forth herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and for their successors and assigns, hereby agree as follows:

**1. Grant of Option.**

(a) Grant. The Company hereby grants to the Grantee an Option (the "Option") to purchase [NUMBER] Common Shares (the "Option Shares"), on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. The Option is not intended to qualify as an incentive stock option under Section 422 of the Code. The "Exercise Price," being the price at which the Grantee shall be entitled to purchase the Option Shares upon the exercise of all or any portion of the Option, shall be $[EXERCISE PRICE] per Option Share, being the Fair Market Value per Option Share on the last trading day immediately prior to the Date of Grant in accordance with the Plan.

(b) Incorporation by Reference, Etc. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules, and regulations promulgated by the Committee from time to time pursuant to the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Grantee and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. The Grantee acknowledges that the Grantee has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

**2. Vesting; Exercisability; Forfeiture.** The Option shall become vested and exercisable in 25% cumulative installments on each of the first four anniversaries of the Date of Grant (each, a "Vesting Date"), provided that the Grantee remains continuously engaged in active service by the Company or one of its Affiliates from the Date of Grant through such Vesting Date. In the event that the Grantee's continuous service is terminated by the Company or by the Grantee for any reason, the Grantee shall forfeit the unvested portion of the Option as of the Grantee's Termination Date (as defined below).

**3. Method of Exercise; Tax Withholding.**

(a) The Grantee may exercise the vested and exercisable portion of the Option, in whole or in part, by notifying the Company in writing of the number of whole Option Shares to be purchased thereunder and delivering with such notice an amount in cash (or certified check, wire transfer, or bank draft) equal to the aggregate Exercise Price for such number of Common Shares. The Grantee may also exercise the Option, if permitted by the Committee at the time of exercise, by means of (i) a "net exercise" procedure effected by the Grantee's surrender of such Option and the Company's withholding the minimum number of Common Shares otherwise deliverable in respect of the Option having a Fair Market Value equal to the amount needed to pay for the aggregate Exercise Price for such Common Shares and all applicable required withholding taxes (the "Required Withholding Shares"); provided that the number of Common Shares so withheld to satisfy any applicable withholding and employment taxes shall not have an aggregate Fair Market Value on the date of such withholding in excess of the applicable minimum required withholding obligation, or (ii) a broker-assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) is delivered a copy of irrevocable instructions to a stockbroker to sell the Required Withholding Shares and to deliver promptly to the Company an amount equal to the aggregate Exercise Price for such Common Shares and all applicable required withholding taxes.

(b) The Company shall be entitled to require, as a condition to the exercise of the Option, that the Grantee remit an amount in cash or, in the discretion of the Company, Common Shares or other property having a Fair Market Value sufficient to satisfy all federal, provincial, state, and local or other applicable withholding and employment taxes relating thereto. In addition, the Company shall have the right and is hereby authorized to withhold from the Common Shares otherwise deliverable upon exercise of the Option, or from any compensation or other amount owing to the Grantee, the amount (in cash or, in the discretion of the Company, Common Shares or other property) of any applicable withholding and employment taxes in respect of the exercise of the Option and to take such other action as may be necessary in the discretion of the Company to satisfy all obligations for the payment of such taxes.

**4. Expiration.** In no event shall any portion of the Option be exercisable after the tenth anniversary of the Date of Grant (the "Option Period"), subject to and in accordance with Section 7(c) of the Plan in respect of a blackout period. The Option is subject to earlier cancellation, termination, or expiration as set forth herein.

**5. Termination of Employment.**

(a) Termination of Employment by the Company without Cause or by the Grantee for any Reason . If, prior to the end of the Option Period, the Grantee's employment with the Company and its Affiliates is terminated by the Company without Cause, or by the Grantee for any reason, the vested portion of the Option shall expire on the earlier of (x) the last day of the Option Period and (y) the 90th day following the Termination Date. For the purposes of this Agreement, the Grantee's employment shall be considered to have terminated effective on the last day of the Grantee's actual and active employment with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Grantee or the Company or Affiliate, and whether with or without advance notice to the Grantee. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Grantee's actual last day of actual and active employment shall be considered as extending the Grantee's period of employment for the purposes of determining his or her entitlement under the Plan (collectively referred to herein as the "Termination Date").

(b) Termination of Employment or due to Death or Disability . If, prior to the end of the Option Period, the Grantee's employment with the Company and its Affiliates is terminated due to the Grantee's death or Disability, the vested portion of the Option shall expire on the earlier of (x) the last day of the Option Period and (y) the first anniversary of such Termination Date.

(c) Termination of Employment for Cause . If, prior to the end of the Option Period the Grantee's employment with the Company and its Affiliates is terminated by the Company or one of its Affiliates for Cause, the unvested and vested portion of the Option shall be canceled immediately on the Termination Date and the Grantee shall immediately forfeit all rights to the Option Shares subject to the Option.

**6. Rights as a Shareholder.** The Grantee shall not be deemed for any purpose, nor shall the Grantee have any of the rights or privileges of, a shareholder of the Company in respect of any Option Shares unless and until (i) such Option shall have been exercised pursuant to its terms, and (ii) the Company shall have issued and delivered such Option Shares to the Grantee. The Company shall cause the actions described in clause (ii) of the preceding sentence to occur promptly following exercise as contemplated by this Agreement, subject to compliance with applicable laws.

**7. Compliance with Legal Requirements.** The granting and exercising of the Option, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, provincial, and local laws, rules, and regulations and to such approvals by any regulatory or governmental agency (including stock exchanges) as may be required. The Committee shall have the right to impose such restrictions on the Option as it deems reasonably necessary or advisable under applicable securities laws and the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time.

**8. Clawback.** The Option and the Option Shares shall be subject to clawback, forfeiture, or similar consequences described in clause (ii) of Section 15(v) of the Plan for the reasons described in clauses (i) and (iii) of Section 15(v) of the Plan and shall be subject (including on a retroactive basis) to clawback, forfeiture, or similar requirements (which requirements shall be deemed incorporated by reference into this Agreement) to the extent required by applicable law (including without limitation Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), or the rules and regulations of any national securities exchange on which the Company has applied to list or quote its Common Shares from time to time, or under a written policy adopted by the Company.

**9. Miscellaneous.**

(a) Transferability. The Option may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered (a "Transfer") by the Grantee other than as permitted by Section 15(b) of the Plan. Any attempted Transfer of the Option contrary to the provisions hereof, and the levy of any execution, attachment, or similar process upon the Option, shall be null and void and without effect. In the event of the Grantee's death, the Option shall thereafter be exercisable (to the extent otherwise exercisable hereunder) only by the Grantee's executors or administrators.

(b) Amendment. At any time, and from time to time, the Committee may amend the terms of this Agreement in accordance with Section 14 of the Plan.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Notices. Every notice and other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to the Grantee's address as recorded in the records of the Company or any Subsidiary.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(f) No Rights to Continued Service. Nothing contained in this Agreement shall be construed as giving the Grantee any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate, or discharge the Grantee at any time for any reason whatsoever.

(g) Fractional Common Shares. No fractional Common Shares shall be issued upon the settlement of any Option, and accordingly, if the Grantee would become entitled to a fractional Common Share upon the exercise of an Option, or from an adjustment permitted by the terms of the Plan, the Grantee shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

(h) Beneficiary. The Grantee may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the Grantee's estate shall be deemed to be the Grantee's beneficiary.

(i) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Grantee and the beneficiaries, executors, administrators, heirs, and successors and permitted transferees of the Grantee.

(j) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations in respect thereto.

(k) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of New York.

(l) Venue; Waiver of Jury Trial.

**(i)** The Grantee and the Company (on behalf of itself and its Affiliates) each consent to jurisdiction in the United States District Court for the Southern District of New York, or if that court is unable to exercise jurisdiction for any reason, the Supreme Court of the State of New York, New York County, in the event of any dispute arising hereunder, and each waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process and waives any objection to jurisdiction based on improper venue or improper jurisdiction.

**(ii)** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE PLAN OR THIS AGREEMENT.

(m) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(n) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first written above.

PERFORMANCE SPORTS GROUP LTD.

By: __

_____
[NAME]

**Exhibit 31.1**

**SECTION 302 CERTIFICATION**

I, Kevin Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Performance Sports Group Ltd. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 13, 2016

By: /s/ Kevin Davis
Kevin Davis

Chief Executive Officer

**Exhibit 31.2**

**SECTION 302 CERTIFICATION**

I, Mark Vendetti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Performance Sports Group Ltd. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 13, 2016 By: /s/ Mark Vendetti

Mark Vendetti

Executive Vice President/Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Performance Sports Group Ltd. (the "Company") on Form 10-Q for the three-month period ending November 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Davis, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kevin Davis
Kevin Davis
Chief Executive Officer
Date: January 13, 2016

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Performance Sports Group Ltd. (the "Company") on Form 10-Q for the three-month period ending November 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Vendetti, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark Vendetti

Mark Vendetti

Executive Vice President/Chief Financial Officer

Date: January 13, 2016

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and is not being filed as part of the Form 10-Q or as a separate disclosure document.