UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

April 30, 2023
Date of Report (date of earliest event reported)

Steel Connect, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-35319	04-2921333
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

590 Madison Avenue, 32nd Floor New York New York	10022
(Address of Principal Executive Offices)	(Zip Code)

(212) 520-2300
Registrant's telephone number, including area code

2000 Midway Ln, Smyrna, TN 37167
(Former name or former address, if changed since last report.)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	STCN	Nasdaq Capital Market
Rights to Purchase Series D Junior Participating Preferred Stock	--	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Transfer and Exchange Agreement

On April 30, 2023, Steel Connect, Inc. (the "Company") and Steel Partners Holdings L.P. ("Steel Partners"), Steel Excel, Inc. ("Steel Excel"), and WebFinancial Holding Corporation ("WebFinancial," and, together with Steel Excel, the "Exchanging Parties"), entered into a Transfer and Exchange Agreement (the "Exchange Agreement"). Pursuant to the Exchange Agreement, on May 1, 2023, the Exchanging Parties exchanged an aggregate of 3,597,744 shares of common stock, par value $0.10 per share, of Aerojet Rocketdyne Holdings, Inc. (the "Aerojet Shares") held by the Exchanging Parties for 3,500,000 shares of newly created Series E convertible preferred stock of the Company (the "Series E Preferred Stock," and such exchange and related transactions, the "Transaction").

Pursuant to the Exchange Agreement, the Company will call a stockholders' meeting (the "Company Stockholder Meeting") to consider and vote upon the rights of the Series E Preferred Stock to vote and receive dividends together with the Company Common Stock (as defined below) on an as-converted basis and the issuance of the Company Common Stock upon conversion of the Series E Preferred Stock by the holders at their option, pursuant to the rules and regulations of Nasdaq (the "Nasdaq Proposal") and any other matters which, following the closing of the Transaction, the Company's board of directors (the "Board") deems appropriate to consider and vote upon at the Company Stockholder Meeting. Upon approval by the Company's stockholders, the Series E Preferred Stock will be convertible into an aggregate of 184,891,318 shares of common stock, par value $0.01 per share, of the Company (the "Company Common Stock"), subject to adjustment as set forth in the Certificate of Designations (as defined below), and will vote together with the Company Common Stock and participate in any dividends paid on the Company Common Stock (except as described below), in each case, on an as-converted basis.

Warren G. Lichtenstein, the Executive Chairman of the Company, is also the Executive Chairman of the board of directors of Steel Partners. Jack L. Howard, a member of the Board, is also the President and a director of Steel Partners.

The description of the Exchange Agreement in this current report on Form 8-K does not purport to be complete and is subject, and qualified in its entirety by reference, to the full text of the Exchange Agreement, which is included as Exhibit 10.1 hereto and incorporated herein by reference.

Stockholders' Agreement

Concurrently with the execution of the Exchange Agreement, the Company, Steel Partners, Steel Excel, WebFinancial, WHX CS, LLC, WF Asset Corp., Steel Partners Ltd., Warren G. Lichtenstein and Jack L. Howard (together, the "SP Investors") entered into a Stockholders' Agreement dated as of April 30, 2023 (the "Stockholders' Agreement").

Pursuant to the Stockholders' Agreement, the parties agreed to the following relating to the governance of the Company:

(i) the Board shall consist of seven directors;

(ii) the Board shall maintain such committees as may be required by U.S. Securities and Exchange Commission (the "SEC") rules and regulations and the applicable rules and listing standards of the applicable stock exchange, including an audit committee consisting of at least three independent directors (the "Independent Audit Committee");

(iii) if the Company ceases to be an SEC reporting company prior to the date that any person or group of related persons owns 100% of equity securities of the Company (the "Final Sunset Date"), the Board shall have an audit committee comprised of at least three directors with at least one member that qualifies as an independent director under SEC and applicable exchange requirements and all remaining directors must not be affiliated with the reporting persons (the "Disinterested Audit Committee");

(iv) the Company will create a transaction committee comprised of directors and senior management of the Company that will propose, consider and evaluate potential strategic transactions for the Company that increase stockholder value; and

(v) the charter and bylaws of the Company shall not be amended in any manner inconsistent with, or which would nullify or impair the terms of, the Stockholders' Agreement prior to the date specified in the Stockholders' Agreement without the prior approval of the Independent Audit Committee or Disinterested Audit Committee, as applicable.

The Stockholders' Agreement further provides that (A) prior to September 1, 2025, the prior approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable, is required for the following: (i) a voluntary delisting of the Company Common Stock from the applicable stock exchange or a transaction (including a merger, recapitalization, stock split or otherwise) which results in the delisting of the Company Common Stock, the Company ceasing to be an SEC reporting company, or the Company filing a Form 25 or Form 15 or any similar form with the SEC; (ii) an amendment to the terms of that certain Management Services Agreement (the "Services Agreement") dated June 14, 2019, by and between the Company and Steel Services Ltd.; and (iii) any related party transaction between the Company and the SP Investors and their subsidiaries and affiliates; (B) prior to September 1, 2028, the prior approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable, is required for the Board to approve a going private transaction pursuant to which Steel Partners or its subsidiaries or affiliates acquires the outstanding Company Common Stock they do not own(or any alternative transaction that would have the same impact); and (C) until the Final Sunset Date, the prior approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable, is required (i) for the Board to approve a short-form or squeeze-out merger between the Company and the SP Investors; or (ii) prior to any transfer of equity interests in the Company by the members of the SP Group (as defined in the Stockholders' Agreement) if such transfers would result in 80% of the voting power and value of the equity interests in the Company that are held by the members of the SP Group being held by one corporate entity.

The Stockholders' Agreement also provides that 70% of the net proceeds received by the Company upon resolution of the Reith v. Lichtenstein, et al., C.A. No. 2018-0277-MTZ (Del. Ch. 2018) class and derivative action will be distributed to the Company's stockholders with the SP Investors agreeing to waive their portion of any such distribution to the extent of any Company Common Stock held as of the date of the Stockholders' Agreement or issuable upon conversion of the Series E Preferred Stock held by the SP Investors and the Series C Convertible Preferred Stock, par value $0.01 per share, of the Company, and the 7.50% Convertible Senior Note due 2024 of the Company held by an affiliate of Steel Partners.

Any amendment of the Stockholders' Agreement by the Company prior to the Final Sunset Date requires the approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable.

The description of the Stockholders' Agreement in this current report on Form 8-K does not purport to be complete and is subject, and qualified in its entirety by reference, to the full text of the Stockholders' Agreement, which is included as Exhibit 10.2 hereto and incorporated herein by reference.

Voting Agreement

Concurrently with the execution of the Exchange Agreement, the Company and the SP Investors entered into a Voting Agreement, dated as of April 30, 2023 (the "Voting Agreement"). Pursuant to the terms and conditions set forth in the Voting Agreement, each SP Investor has agreed to (i) vote, or cause to be voted, all securities of the Company beneficially owned by each such SP Investor for the approval of the Nasdaq Proposal and against any transaction or proposal that may delay, impair or nullify the Nasdaq Approval; (ii) not enter into an agreement to vote in a manner inconsistent with the foregoing; and (iii) not transfer such Company Common Stock and Subject Shares (as defined in the Stockholders' Agreement), without the prior consent of the Company's audit committee, subject to certain standard exceptions. As the SP Investors currently own more than a majority of the voting power of the Company, approval of the Nasdaq Proposal is assured.

The description of the Voting Agreement in this current report on Form 8-K does not purport to be complete and is subject, and qualified in its entirety by reference, to the full text of the Voting Agreement, which is included as Exhibit 10.3 hereto and incorporated herein by reference.

Certificate of Designations

The powers, designations, preferences and other rights of the shares of the Series E Preferred Stock are set forth in the Certificate of Designation establishing the Series E Preferred Stock (the "Certificate of Designations"), filed by the Company with the Delaware Secretary of State on May 1, 2023.

The Series E Preferred Stock will have a liquidation preference equal to $58.1087 per share. Holders of shares of Series E Preferred Stock (the "Holders" and each, a "Holder") are not entitled to receive any dividends or other distributions from the Company. Following the date on which stockholder approval is obtained at the Company Stockholder Meeting, the Holders will be entitled to participate equally and ratably with the holders of shares of the Company Common Stock in all dividends or other distributions on the shares of the Company Common Stock.

The Company does not have any right to redeem the Series E Preferred Stock and the Holders do not have any right to cause the Company to redeem the Series E Preferred Stock.

Prior to obtaining the stockholder approval at the Company Stockholder Meeting, the Series E Preferred Stock will not be convertible into the Company Common Stock or any other security of the Company. Following the date on which stockholder approval is obtained, each Holder may, at their option, convert all or any shares of Series E Preferred Stock held by such Holder into the Company Common Stock based on a conversion price of $1.10 for the Series E Preferred Stock.

Prior to obtaining the stockholder approval, the Series E Preferred Stock will be non-voting and will not have the right to vote on any matters presented to the stockholders of the Company. Following the date on which stockholder approval is obtained, each Holder will be entitled to vote with holders of the Company Common Stock, voting together as a single class, with respect to any and all matters presented to the stockholders of the Company for their action or consideration. In any such vote, each Holder will be entitled to a number of votes equal to the largest number of whole shares of the Company Common Stock into which all shares of the Series E Preferred Stock held of record by such Holder is convertible as of the record date for such vote.

The description of the Certificate of Designations in this current report on Form 8-K does not purport to be complete and is subject, and qualified in its entirety by reference, to the full text of the Certificate of Designations, which is included as Exhibit 3.1 hereto and incorporated herein by reference.

The Board, acting on the unanimous recommendation of a strategic planning committee consisting solely of independent and disinterested directors of the Company (the "Strategic Planning Committee"), approved the Transaction. The Strategic Planning Committee exclusively negotiated the terms of the Transaction with Steel Partners, with the assistance of its independent legal counsel and financial advisors, which also issued a fairness opinion with respect to the Transaction.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure regarding the securities to be issued under the Exchange Agreement as set forth under Item 1.01 of this report is incorporated by reference under this Item 3.02.

The securities described above under Item 1.01 have not been registered under the Securities Act of 1933, as amended (the "Securities Act"). The Company relied on the exemption from the registration requirements of the Securities Act by virtue of Section 4(a)(2) thereof.

Item 3.03 Material Modification to Rights of Security Holders.

The disclosure regarding the securities to be issued under the Exchange Agreement as set forth under Item 1.01 of this report is incorporated by reference under this Item 3.03.

Item 5.03. Amendments to Articles of Incorporation or Bylaws.

The information set forth in Item 1.01 and Item 3.02 above relating to the issuance of the Series E Preferred Stock and the Certificate of Designations is incorporated herein by reference. The Certificate of Designations establishes the powers, designations, preferences, and other rights of the Series E Preferred Stock and became effective upon filing with the Secretary of State of the State of Delaware on May 1, 2023.

Item 8.01 Other Events.

On May 1, 2023, the Company and Steel Partners issued a joint press release announcing the entry into the Exchange Agreement. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
3.1	Certificate of Designations, Preferences and Rights of the Series E Convertible Preferred Stock of Steel Connect, Inc.
10.1	Transfer and Exchange Agreement, dated as of April 30, 2023, by and among Steel Partners Holdings L.P., Steel Excel, Inc., WebFinancial Holding Corporation and Steel Connect, Inc.
10.2	Stockholders' Agreement, dated as of April 30, 2023, by and among Steel Connect, Inc., Steel Partners Holdings L.P., and the other stockholders signatory therein.
10.3	Voting Agreement, dated as of April 30, 2023, by and among Steel Connect, Inc., Steel Partners Holding L.P., WebFinancial Holding Corporation, WHX CS, LLC, WF Asset Corp., Steel Partners, Ltd., Warren G. Lichtenstein, and Jack L. Howard.
99.1	Press Release, dated May 1, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

Date: May 1, 2023

Steel Connect, Inc.

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS

OF

SERIES E CONVERTIBLE PREFERRED STOCK

OF

STEEL CONNECT, INC.

(Pursuant to Section 151 of the Delaware General Corporation Law)

Steel Connect, Inc. (the "**Corporation**"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies that, pursuant to authority conferred on its Board of Directors (the "**Board**") by the Restated Certificate of Incorporation of the Corporation, as amended (the "**Certificate of Incorporation**"), and in accordance with Section 141 of the Delaware General Corporation Law, the following resolution was adopted by the Board at a meeting of the Board duly held on April 30, 2023, which resolution remains in full force and effect on the date hereof:

RESOLVED, that the Board, pursuant to authority expressly vested in it by the provisions of the Certificate of Incorporation, hereby authorizes the issuance of a series of preferred stock designated as the Series E Convertible Preferred Stock, par value $0.01 per share, of the Corporation and hereby fixes the designation, number of shares, powers, preferences, rights, qualifications, limitations and restrictions thereof (in addition to any provisions set forth in the Certificate of Incorporation which are applicable to the Corporation's preferred stock of all classes and series) as follows:

1. Designation, Amount and Par Value. Pursuant to this Certificate of Designations, Preferences and Rights of Series E Convertible Preferred Stock of the Corporation (this "**Certificate of Designations**"), there is hereby designated a series of the Corporation's authorized preferred stock having a par value of $0.01 per share (the "**Preferred Stock**"), which series shall be designated as "Series E Convertible Preferred Stock" (the "**Series E Preferred Stock**"), and the number of shares so designated shall be Three Million Five Hundred Thousand (3,500,000). Each share of Series E Preferred Stock shall have a par value of $0.01 per share.

2. Definitions. In addition to the terms defined elsewhere in this Certificate of Designations, the following terms have the meanings indicated. Capitalized terms used but not defined in this Certificate of Designations shall have the respective meanings given to them in the Transfer and Exchange Agreement (as defined below):

"**Board**" has the meaning set forth in the preamble to this Certificate of Designations.

"**Business Day**" means any day except Saturday, Sunday and any day which is a federal legal holiday or a day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"**Certificate of Designations**" has the meaning set forth in Section 1.

"**Certificate of Incorporation**" has the meaning set forth in the preamble to this Certificate of Designations.

"**Common Stock**" means the common stock of the Corporation, par value $0.01 per share, and any securities into which such common stock may hereafter be reclassified.

"**Conversion Date**" has the meaning set forth in Section 7(a).

"**Conversion Notice**" has the meaning set forth in Section 7(a).

"**Conversion Price**" has the meaning set forth in Section 7(a).

"**Corporation**" has the meaning set forth in the preamble to this Certificate of Designations.

"**DTC**" means The Depository Trust Corporation.

"**Eligible Market**" means any of the following: the Principal Market, the New York Stock Exchange, the NYSE MKT, The NASDAQ Global Select Market, The NASDAQ Capital Market or the OTC Bulletin Board.

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

"**Fractional Cash Payment**" has the meaning set forth in Section 7(f).

"**Holder**" means any holder of Series E Preferred Stock.

"**Junior Securities**" means the Common Stock and all other equity or equity equivalent securities of the Corporation other than the Series C Preferred Stock and the Series E Preferred Stock.

"**Liquidation Event**" means any of the following: (i) any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, (ii) any merger or consolidation in which the Corporation is a constituent party or a Significant Subsidiary is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation such that the stockholders of the Corporation prior to such merger or consolidation hold less than 50.0% of the aggregate voting securities of the Corporation following such merger or consolidation, or (iii) any sale of all or substantially all of the assets or capital stock of the Corporation or one or more Significant Subsidiaries if substantially all of the assets of the Corporation are held by such Significant Subsidiary or Significant Subsidiaries.

"**Majority Holders**" means, as of any date of determination, the holders of a majority of the then outstanding shares of Series E Preferred Stock.

"**Nasdaq Proposal**" means the proposal to consider and vote upon the rights of the Holders to vote and receive dividends together with the holders of Common Stock on an as-converted basis and the issuance of Common Stock upon conversion of the Series E Preferred Stock by the Holders at their option, as required by the rules and regulation of the Principal Market.

"**Original Issue Date**" with respect to any share of Series E Preferred Stock means the date of the first issuance of such share of the Series E Preferred Stock, regardless of the number of transfers of any particular shares of Series E Preferred Stock thereafter and regardless of the number of certificates that may be issued to evidence shares of Series E Preferred Stock.

"**Person**" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock corporation, government (or an agency or subdivision thereof) or other entity of any kind.

"**Preferred Stock**" has the meaning set forth in Section 1.

"Principal Market" means The Nasdaq Capital Market.

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

"**Series C Preferred Stock**" means the Corporation's Series C Convertible Preferred Stock, par value $0.01 per share.

"**Series E Preferred Stock**" has the meaning set forth in Section 1.

"**Series E Preferred Stock Register**" has the meaning set forth in Section 4.

"**Significant Subsidiary**" means any Subsidiary that would be a "significant subsidiary" as defined in Rule 1-02(w) of Regulation S-X.

"**Stockholder Approval**" means approval of the Nasdaq Proposal by the affirmative vote of the holders of a majority in voting power of the outstanding shares of Common Stock and the Series C Preferred Stock (voting on an as converted to shares of Common Stock basis), voting together as a single class.

"**Subsidiary**" means at any time, any Person (other than a natural person or Governmental Entity) which the Corporation (either alone or through or together with any other Subsidiary), owns, directly or indirectly, more than a majority of the capital stock or equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such Person.

"**Trading Day**" means any day on which the Common Stock is traded on the Principal Market (or, if not traded on the Principal Market, on the Eligible Market on which the Common Stock is then traded); provided that Trading Day shall not include any day on which the Common Stock is scheduled to trade on the Principal Market (or, if not traded on the Principal Market, in any applicable Eligible Market) for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on the Principal Market (or, if not traded on the Principal Market, on the Eligible Market on which the Common Stock is then traded) does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 p.m., New York Time.

"**Transaction Documents**" means this Certificate of Designations, the Transfer and Exchange Agreement, and any other documents, certificates or agreements executed or delivered in connection with the transactions contemplated by the Transfer and Exchange Agreement.

"**Transfer and Exchange Agreement**" means the Transfer and Exchange Agreement, dated on or about the date hereof, by and among the Corporation, Steel Partners Holdings L.P., a Delaware limited partnership, Steel Excel, Inc., a Delaware corporation, and WebFinancial Holding Corporation, a Delaware corporation, as amended from time to time.

"**Underlying Shares**" means the shares of Common Stock issued or issuable (i) upon conversion of the Series E Preferred Stock pursuant to this Certificate of Designations, or (ii) in satisfaction of any other obligation or right of the Corporation to issue shares of Common Stock pursuant to this Certificate of Designations, and in each case, any securities issued or issuable in exchange for or in respect of such securities.

3. Dividends.

(a) Holders are not entitled to receive any dividends or other distributions from the Corporation except as provided in this Section 3. Following the date on which Stockholder Approval is obtained, Holders will be entitled to participate equally and ratably with the holders of shares of Common Stock in all dividends or other distributions on the shares of Common Stock as if, immediately prior to each record date for payment of dividends or other distributions on the Common Stock, shares of Series E Preferred Stock then outstanding were converted into shares of Common Stock. Dividends or other distributions payable pursuant to this Section 3 will be payable on the same date that such dividends or other distributions are payable to holders of shares of Common Stock, and no dividends or other distributions will be payable to holders of shares of Common Stock unless dividends or such other distributions contemplated by this Section 3 are also paid at the same time in respect of the Series E Preferred Stock.

(b) Notwithstanding the foregoing, the Corporation may not pay dividends by issuing Common Stock to any Holder unless, at such time, the number of authorized but unissued and otherwise unreserved shares of Common Stock is sufficient for such issuance.

4. Registration of Issuance and Ownership of Series E Preferred Stock. The Corporation shall register the issuance and ownership of shares of the Series E Preferred Stock, upon records to be maintained by the Corporation for that purpose (the "**Series E Preferred Stock Register**"), in the name of the record Holders thereof from time to time. The Corporation may deem and treat the registered Holder as the absolute owner thereof for the purpose of any distribution to such Holder, and for all other purposes, absent actual notice to the contrary.

5. Registration of Transfers. The Corporation shall register the transfer of any shares of Series E Preferred Stock in the Series E Preferred Stock Register, upon surrender of certificates evidencing such shares to the Corporation at its address specified herein. Upon any such registration or transfer, a new certificate evidencing the shares of Series E Preferred Stock so transferred shall be issued to the transferee and a new certificate evidencing the remaining portion of the shares not so transferred, if any, shall be issued to the transferring Holder.

6. Liquidation.

(a) Upon the occurrence of any Liquidation Event, the Holders shall be entitled to receive, prior and in preference to any distribution of any of the assets or funds of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share in cash equal to $58.1087 (as adjusted for any stock split, stock dividend, stock combination or other similar transactions with respect to the Series E Preferred Stock (the "**Series E Preferred Stock Liquidation Preference**").

(b) If, upon the occurrence of a Liquidation Event, the assets and funds distributed among the Holders shall be insufficient to permit the payment to such Holders of the full Series E Preferred Stock Liquidation Preference, then (x) the Corporation shall take any action necessary or appropriate, to the extent permissible under applicable law and reasonably within its control, to remove promptly any impediments to its ability to pay the total Series E Preferred Stock Liquidation Preference, including to the extent permissible under applicable law, reducing the stated capital of the Corporation or causing a revaluation of the assets of the Corporation to create sufficient surplus to make such payment, and (y) the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the Holders in proportion to the aggregate Series E Preferred Stock Liquidation Preference that would otherwise be payable to each of such Holders with respect to the Series E Preferred Stock.

(c) In the event that the Series E Preferred Stock Liquidation Preference is not paid with respect to any shares of Series E Preferred Stock as required to be paid pursuant to this Section 6, such shares shall continue to be entitled to dividends thereon as provided in Section 3. In the event that the Series E Preferred Stock Liquidation Preference is not paid with respect to any shares of Series E Preferred Stock as required to be paid pursuant to this Section 6, all such shares shall remain outstanding and entitled to all the rights and preferences provided herein.

(d) To the extent not prohibited by applicable law, upon the occurrence of a Liquidation Event, following completion of the distributions to the holders of Series C Preferred Stock and those required by Section 6(a) (including without limitation the payment in full of the Series E Preferred Stock Liquidation Preference), if assets or surplus funds remain in the Corporation, no further payments shall be due with respect to the Series C Preferred Stock or Series E Preferred Stock, and the holders of Junior Securities shall share in all remaining assets of the Corporation.

(e) The Corporation shall provide written notice of any Liquidation Event to each record Holder, if practicable, not less than thirty (30) days prior to the payment date or effective date thereof, or, if not practicable to provide prior notice, promptly upon the occurrence thereof.

(f) In the event that, immediately prior to the closing of a Liquidation Event, the cash distributions required by Section 6(a) have not been made, the Corporation shall forthwith either: (i) make payment of such distributions upon or immediately following the closing of such Liquidation Event; (ii) cause such closing to be postponed until such time as such cash distributions have been made; or (iii) cancel such transaction, in which event the rights, preferences and privileges of the Holders shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice by the Corporation required under Section 6(e) and no additional amounts shall be due and owing by the Corporation pursuant to Section 6(c).

7. Conversion Rights.

Subject to Section 3(b), the Holders shall have the following rights and restrictions with respect to the conversion of the Series E Preferred Stock into shares of Common Stock:

(a) Conversion. Prior to obtaining the Stockholder Approval, the Series E Preferred Stock will not be convertible into Common Stock or any other security of the Corporation. Following the date on which Stockholder Approval is obtained, Holder, may, at its option, convert all or any shares of Series E Preferred Stock held by such Holder into Common Stock based on a conversion price of $1.10 (the "**Conversion Price**") for the Series E Preferred Stock, by delivering to the Corporation a conversion notice (the "**Conversion Notice**"), in the form attached hereto as Annex A, properly completed and duly executed, and the date any such Conversion Notice is delivered to the Corporation (as determined in accordance with the notice provisions hereof) is a "**Conversion Date**."

(b) Mechanics of Conversion.

(i) The number of shares of Common Stock issuable upon any conversion of shares of Series E Preferred Stock hereunder shall equal the quotient of (x) the product of (A) the Series E Preferred Stock Liquidation Preference (as adjusted for any stock split of the Series E Preferred Stock, stock combination of the Series E Preferred Stock or other similar transaction of the Series E Preferred Stock) multiplied by, (B) the number of shares of Series E Preferred Stock to be converted, divided by, (y) the Conversion Price on the Conversion Date.

(ii) Upon conversion of any shares of Series E Preferred Stock, the Corporation shall promptly (but in no event later than three (3) Trading Days after the Conversion Date) (i) credit the number of shares of Common Stock to which such Holder shall be entitled to such Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission System, or (ii) in the event that clause (i) is not applicable, issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate a certificate for the Underlying Shares issuable upon such conversion. The Holder, or any Person so designated by the Holder to receive Underlying Shares, shall be deemed to have become holder of record of such Underlying Shares as of the Conversion Date.

(iii) The Holder shall not be required to deliver the original certificate(s) evidencing the Series E Preferred Stock being converted in order to effect a conversion of such Series E Preferred Stock hereunder. Execution and delivery of the Conversion Notice shall have the same effect as cancellation of the original certificate(s) and issuance of a new certificate evidencing the remaining shares of Series E Preferred Stock; provided that the cancellation of the original certificate(s) shall not be deemed effective until a certificate for such Underlying Shares is delivered to the Holder, or the Holder or its designee receives a credit for such Underlying Shares to its balance account with the DTC through its Deposit Withdrawal Agent Commission System. Upon surrender of a certificate following one or more partial conversions, the Corporation shall promptly deliver to the Holder a new certificate representing the remaining shares of Series E Preferred Stock.

(iv) The Corporation's obligations to issue and deliver Underlying Shares upon conversion of shares of Series E Preferred Stock in accordance with the terms and subject to the conditions hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, or the recovery of any judgment against any Person or any action to enforce the same, or any set-off, counterclaim, recoupment, limitation or termination.

(c) Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the Original Issue Date the Corporation effects a subdivision of the outstanding Common Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Original Issue Date the Corporation combines the outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 7(c) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(d) Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Original Issue Date the Common Stock issuable upon the conversion of the Series E Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than a subdivision or combination of shares provided for elsewhere in this Section 7), in any such event each Holder shall then have the right to convert Series E Preferred Stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification, merger, consolidation or other change by holders of the maximum number of shares of Common Stock into which such shares of Series E Preferred Stock could have been converted immediately prior to such recapitalization, reclassification, merger, consolidation or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 7 with respect to the rights of the holders of Series E Preferred Stock after the capital reorganization to the end that the provisions of this Section 7 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of the Series E Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(e) Certificate of Adjustment. In each case of an adjustment or readjustment of the Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Series E Preferred Stock, if the Series E Preferred Stock is then convertible pursuant to this Section 7, the Corporation, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each Holder so requesting at the Holder's address as shown in the Corporation's books. Failure to request or provide such notice shall have no effect on any such adjustment.

(f) Fractional Shares. The Corporation shall not be required to issue or cause to be issued fractional shares of Common Stock on conversion of Series E Preferred Stock. Subject to Section 7(h), if any fraction of a share of Common Stock would, except for the provisions of this Section 7(f), be issuable upon conversion of Series E Preferred Stock, the number of shares of Common Stock to be issued will be rounded down to the nearest whole share, and the Corporation shall, in lieu of issuing any fractional share, pay an amount of cash equal to the product of such fraction multiplied by the Conversion Price on the date of conversion (each such payment in cash, the "**Fractional Cash Payment**").

(g) Payment of Taxes. The Corporation will pay all documentary, stamp, transfer (but only in respect of the registered Holder thereof) and other similar taxes that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Series E Preferred Stock, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Series E Preferred Stock so converted were registered. Holders shall be liable for any income, capital gain or similar tax imposed in connection with such transfer.

(h) Restrictions. Notwithstanding anything else set forth in this Section 7 to the contrary, the Corporation shall not be required to pay any Fractional Cash Payments pursuant to Section 7(f) to any Holder if the payment of such Fractional Cash Payments would cause the Corporation to violate any applicable law or regulation or order. The Corporation shall pay any Fractional Cash Payments owed by it but that it did not pay pursuant to the immediately preceding sentence on the date that is on or before the day that is five (5) days after the Corporation is first able to pay such Fractional Cash Payments without violating any applicable law or regulation or order.

8. Redemption. The Corporation shall not have any right to redeem the Series E Preferred Stock and the Holder shall not have any right to cause the Corporation to redeem the Series E Preferred Stock.

9. Replacement Certificates. If any certificate evidencing Series E Preferred Stock, or Common Stock deliverable pursuant to this Certificate of Designations, is mutilated, lost, stolen or destroyed, the Corporation shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution for such certificate, a new certificate, but only upon receipt of evidence reasonably satisfactory to the Corporation of such loss, theft or destruction (in such case) and, in each case, customary and reasonable indemnity, if requested. Applicants for a new certificate under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Corporation may prescribe.

10. Reservation of Common Stock. The Corporation shall at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Underlying Shares as required hereunder, the number of shares of Common Stock which are then issuable and deliverable pursuant to this Certificate of Designations, in each case free from preemptive rights or any other contingent purchase rights of Persons other than the Holders. All shares of Common Stock so issuable and deliverable shall, upon issuance in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to issue Underlying Shares as required hereunder, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

11. Notices. Any and all notices or other communications or deliveries hereunder shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email or facsimile at the email address or facsimile number specified in this Section 11 prior to 5:30 p.m. (New York City time) on a Business Day, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via email or facsimile at the email address or facsimile number specified in this Section 11 on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (iii) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The address or facsimile number for such communications shall be: (i) if to the Corporation, to the address or facsimile number therefor set forth in the Transfer and Exchange Agreement, or (ii) if to a Holder, to the address or facsimile number appearing on the Corporation's stockholder records or such other address or facsimile number as such Holder may provide to the Corporation in accordance with this Section 11.

12. Voting Rights. Prior to obtaining the Stockholder Approval, the Series E Preferred Stock will be non-voting and will not have the right to vote on any matters presented to the stockholders of the Corporation. Following the date on which Stockholder Approval is obtained, each Holder shall be entitled to vote with holders of outstanding shares of Common Stock, voting together as a single class, with respect to any and all matters presented to the stockholders of the Corporation for their action or consideration (whether at a meeting of stockholders of the Corporation, by written action of stockholders in lieu of a meeting or otherwise), except as provided by law. In any such vote, each Holder shall be entitled to a number of votes equal to the largest number of whole shares of Common Stock into which all shares of Series E Preferred Stock held of record by such Holder is convertible as of the record date for such vote or written consent or, if there is no specified record date, as of the date of such vote or written consent.

13. Miscellaneous.

(a) The headings herein are for convenience only, do not constitute a part of this Certificate of Designations and shall not be deemed to limit or affect any of the provisions hereof.

(b) No provision of this Certificate of Designations may be amended, except in a written instrument signed by the Corporation and the Majority Holders. Any of the rights of the Holders set forth herein may be waived by the affirmative vote or by written consent of the Majority Holders, except that each Holder may waive its own rights as provided in this Certificate of Designations. No waiver of any default with respect to any provision, condition or requirement of this Certificate of Designations shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Designations to be duly executed as of this 30th day of April, 2023.

STEEL CONNECT, INC.

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer and Treasurer

ANNEX A

NOTICE OF CONVERSION
(To be Executed by the Registered Holder in order
to Convert Shares of Series E Preferred Stock)

The undersigned Holder hereby irrevocably elects to convert the number of shares of Series E Preferred Stock indicated below, represented by stock certificate No(s). _____, into shares of common stock, par value $0.01 per share (the "***Common Stock***"), of Steel Connect, Inc., a Delaware corporation (the "***Corporation***"), as of the date written below. If securities are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto.

Conversion calculations:

Date to Effect Conversion: _____
Number of shares of Series E Preferred Stock owned prior to Conversion: _____
Number of shares of Series E Preferred Stock to be Converted: _____
Number of shares of Common Stock to be Issued: _____
Address for delivery of physical certificates: _____

or

for DWAC Delivery:

DWAC Instructions:
Broker no: _____
Account no: _____

[HOLDER]

By: _____
Name:
Title:
Date:

Exhibit 10.1

EXECUTION VERSION

TRANSFER AND EXCHANGE AGREEMENT

by and among

STEEL PARTNERS HOLDINGS L.P.,

STEEL EXCEL, INC.,

WEBFINANCIAL HOLDING CORPORATION,

and

STEEL CONNECT, INC.

Dated as of April 30, 2023

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TRANSFER AND EXCHANGE AGREEMENT

TRANSFER AND EXCHANGE AGREEMENT, dated as of April 30, 2023 (this "Agreement"), by and among Steel Partners Holdings L.P., a Delaware limited partnership ("Parent"), Steel Excel, Inc., a Delaware corporation ("Steel Excel"), WebFinancial Holding Corporation, a Delaware corporation ("WebFinancial" and, together with Steel Excel, the "Transferring Parties" and each, a "Transferring Party"), and Steel Connect, Inc., a Delaware corporation (the "Acquiror" and collectively with the Transferring Parties, the "Parties" and each, a "Party").

RECITALS

(a) (i) Parent indirectly owns 100% of the equity interests of Steel Excel and WebFinancial, (ii) the Transferring Parties collectively own 3,597,744 shares of common stock, par value $0.10 per share (the "Transferred Shares"), of Aerojet Rocketdyne Holdings, Inc., a Delaware corporation ("Aerojet"), and (iii) Parent, together with certain of its Affiliates (the "Parent Group"), collectively own 52.6% of the outstanding voting power of the Acquiror.

(b) The Transferring Parties desire to transfer, exchange, assign, and deliver to the Acquiror (or a designated wholly-owned subsidiary of Acquiror (such subsidiary, the "Designee")), and the Acquiror (or, if applicable, the Designee) desires to accept and acquire from the Transferring Parties, the Transferred Shares (the "Transfer and Exchange"), and in exchange for the Transferred Shares, the Acquiror desires to issue to the Transferring Parties, 3,500,000 shares of Series E Convertible Preferred Stock (the "Series E Preferred Stock") having the rights and preferences set forth in that certain Certificate of Designations, Preferences and Rights of the Series E Convertible Preferred Stock of Steel Connect, Inc. (the "COD") attached as Exhibit A hereto (the "Equity Consideration"), which, upon conversion after approval of the Nasdaq Proposal (as defined below), will represent collectively with the equity securities currently owned by the Parent Group approximately 85.12% of the issued and outstanding equity interests of the Acquiror.

(c) Following the Closing (as defined below), the Acquiror will, as a mere legal formality, call and hold a meeting of its stockholders (the "Acquiror Stockholders Meeting") to consider and vote upon the rights of the Series E Preferred Stock to vote and receive dividends together with the Acquiror Common Stock (as defined below) on an as-converted basis and the issuance of the Acquiror Common Stock upon conversion of the Series E Preferred Stock by the holders at their option, as required by the rules and regulations of Nasdaq (the "Nasdaq Proposal") and any other matters which, following the Closing, the board of directors of the Acquiror (the "Acquiror Board") deems appropriate to consider and vote upon at the Acquiror Stockholders Meeting (collectively with the Nasdaq Proposal, the "Meeting Proposals").

(d) The Acquiror Board has established a strategic planning committee consisting solely of independent and disinterested directors of the Acquiror (the "Strategic Planning Committee"), which the Strategic Planning Committee has been delegated the full and exclusive power and authority of the Acquiror Board to, among other things, review, evaluate, consider and negotiate the Transfer and Exchange and the other transactions contemplated by this Agreement and the other Transaction Documents (collectively, the "Transactions"), and make a recommendation to the Acquiror Board with respect thereto.

(e) The Strategic Planning Committee has unanimously (i) determined that the terms of this Agreement, the other Transaction Documents and the Transactions are fair to and in the best interests of the Acquiror and the holders of capital stock of the Acquiror (other than the holders of shares of Acquiror Common Stock owned by (A) the Acquiror or any of its Subsidiaries, (B) Parent or any of its Subsidiaries or (C) the Transferring Parties or any of their Subsidiaries, in each case issued and outstanding immediately prior to the Closing (collectively, "Excluded Shares")) and (ii) recommended to the Acquiror Board that the Acquiror Board (x) adopt resolutions approving, adopting and declaring advisable this Agreement, the other Transaction Documents and the Transactions and (y) recommend that the holders of capital stock of the Acquiror entitled to vote at the Acquiror Stockholders Meeting, approve the Nasdaq Proposal (such recommendation, the "Strategic Planning Committee Recommendation").

(f) The Acquiror Board, based on the Strategic Planning Committee Recommendation, has (i) determined that the terms of this Agreement, the other Transaction Documents and the Transactions are fair to and in the best interests of the Acquiror and the holders of capital stock of the Acquiror (other than the holders of Excluded Shares), (ii) approved and declared advisable this Agreement, the other Transaction Documents and the Transactions and (iii) recommended that the holders of capital stock of the Acquiror entitled to vote at the Acquiror Stockholders Meeting approve the Nasdaq Proposal (such recommendation, the "Acquiror Board Recommendation").

(g) The board of directors of Parent and each Transferring Party has unanimously (i) determined that the terms of this Agreement, the other Transaction Documents and the Transactions are fair to and in the best interests of Parent and each such Transferring Party, as applicable, and declared it advisable, to enter into this Agreement and the other Transaction Documents, and (ii) approved and declared advisable this Agreement, the other Transaction Documents and the Transactions.

(h) The General Partner (as defined in the Parent LPA (as defined below)) has determined, in its sole discretion (as defined in the Parent LPA), that this Agreement, the other Transaction Documents and the Transactions are necessary and appropriate to the conduct of the business of Parent in compliance with the Ninth Amended and Restated Agreement of Limited Partnership of Parent dated as of June 1, 2022 (the "Parent LPA").

(i) For federal income tax purposes, it is intended that the Transfer and Exchange will qualify as a tax-free exchange within the meaning of Section 351 of the Code (as defined below) because as a result of the Transactions, the Transferring Parties and their Affiliates will collectively own at least 80% of the total number of shares of all classes of stock in Acquiror and at least 80% of the combined voting power of all classes of stock entitled to vote of Acquiror with WebFinancial currently owning 100% of the Acquiror Series C Preferred Stock which votes with the Acquiror Common Stock on an as-converted basis. The voting rights on the Series E Preferred Stock will become effective upon approval of the Nasdaq Proposal and holders of such number of voting interests in Acquiror necessary to approve the Nasdaq Proposal have agreed to vote in favor of the Nasdaq Proposal thereby assuring approval of the Nasdaq Proposal and the voting rights of the Series E Preferred Stock. The Parties understand this vote is a mere legal formality to comply with the rules of Nasdaq.

(j) Certain capitalized terms used in this Agreement have the meanings specified in Section 7.1.

Accordingly, in consideration of the mutual representations, warranties, covenants and agreements contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
TRANSFER AND EXCHANGE; CLOSING

Section 1.1 The Transfer and Exchange. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing: (a) the Transferring Parties shall transfer, exchange, assign, and deliver to Acquiror (or, if applicable, the Designee), and Acquiror (or, if applicable, the Designee) shall accept and acquire from the Transferring Parties, all right, title and interest in the Transferred Shares, and (b) the Acquiror shall issue and deliver to the Transferring Parties in the amounts set forth opposite their names on Schedule I attached hereto, the Equity Consideration, free and clear of all Liens (other than restrictions on transfer under applicable securities Laws).

Section 1.2 Closing. Subject to the satisfaction or waiver of all of the conditions to closing contained in Article V, the closing of the Transactions (the "Closing") shall take place (a) at the offices of Greenberg Traurig, LLP, One Vanderbilt Avenue, New York, NY 10017, at 9:00 a.m., no later than the third (3rd) Business Day after the day on which the last of those conditions (other than any conditions that by their nature are to be satisfied at the Closing) is satisfied or, to the fullest extent permitted by applicable Laws, waived in accordance with this Agreement, or (b) at such other place and time or on such other date as Parent and the Acquiror may agree in writing (the date on which the Closing occurs is referred to in this Agreement as the "Closing Date").

Section 1.3 Deliveries. At or prior to the Closing,

(a) Parent and the Transferring Parties shall deliver, or shall cause to be delivered, to the Acquiror the following:

(i) counterparts of the Interest Assignment Agreements, duly executed by the Transferring Parties;

(ii) the certificate of Parent and the Transferring Parties contemplated by Section 5.2(c)(i);

(iii) a counterpart of a stockholders' agreement, in the form attached as Exhibit B-1 hereto (the "Stockholders Agreement"), duly executed by Parent and each of the SP Investors (as defined in the Stockholders' Agreement); and

(iv) a counterpart of a voting agreement, in the form attached as Exhibit B-2 hereto (the "Voting Agreement"), duly executed by each of the SP Investors.

(b) The Acquiror shall deliver, or shall cause to be delivered, to Parent and the Transferring Parties the following:

(i) a copy of the executed COD as filed with the Secretary of State of the State of Delaware;

(ii) evidence reasonably satisfactory to Parent that the Equity Consideration has been issued to the Transferring Parties;

(iii) counterparts of the Interest Assignment Agreements, duly executed by the Acquiror (or, if applicable, the Designee);

(iv) the certificate of the Acquiror contemplated by Section 5.1(c)(i);

(v) a counterpart of the Stockholders Agreement, duly executed by the Acquiror; and

(vi) a counterpart of the Voting Agreement, duly executed by the Acquiror.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF PARENT AND THE TRANSFERRING PARTIES

Parent and the Transferring Parties hereby represent and warrant to the Acquiror as follows:

Section 2.1 Organization and Power. Each of Parent and the Transferring Parties is a limited partnership, corporation, limited liability company or other legal entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization. Each of Parent and the Transferring Parties has the requisite power and authority to own, lease and operate its assets and properties and to carry on its business as now conducted.

Section 2.2 Corporate Authorization. Each of Parent and the Transferring Parties has all necessary limited partnership, corporate or limited liability company (as applicable) power and authority to enter into this Agreement and any other Transaction Documents to which they are a party, and to consummate the Transactions. The execution and delivery of this Agreement and any other Transaction Documents to which they are a party, by Parent and the Transferring Parties and the consummation by Parent and the Transferring Parties of the Transactions have been duly and validly authorized by all necessary limited partnership, corporate or limited liability company (as applicable) action on the part of Parent and each of the Transferring Parties.

Section 2.3 Enforceability. This Agreement has been duly executed and delivered by Parent and the Transferring Parties and constitutes a legal, valid and binding agreement of each of Parent and the Transferring Parties, enforceable against each of them in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar Laws of general applicability affecting creditors rights and general principles of equity (the "Bankruptcy and Equity Exceptions").

Section 2.4 Governmental Authorizations. Except as would not, individually or in the aggregate, reasonably be expected to result in a Parent Material Adverse Effect, the execution, delivery and performance of this Agreement and any other Transaction Documents to which they are a party, by Parent and the Transferring Parties and the consummation by Parent and the Transferring Parties of the Transactions do not and will not require any consent, approval or similar authorization of, or filing with or notification to, any domestic or foreign international, national, federal, state, provincial or local governmental, regulatory or administrative authority, agency, commission, court, tribunal, arbitral body or self-regulated entity (each, a "Governmental Entity"), other than any reports that may be required to be filed under the Exchange Act in connection with this Agreement and the Transactions.

Section 2.5 Non-Contravention. The execution, delivery and performance of this Agreement and any other Transaction Documents to which they are a party, by Parent and the Transferring Parties and the consummation by Parent and the Transferring Parties of the Transactions do not and will not:

(a) contravene or conflict with, or result in any violation of or breach of, any provision of the certificate of limited partnership of Parent or the Parent LPA or the organizational documents of any other Transferring Party;

(b) contravene or conflict with, or result in any violation or breach of, any Laws or Orders applicable to Parent or the Transferring Parties or by which any assets of Parent or the Transferring Parties are bound, assuming that all consents, approvals, authorizations, filings and notifications described in Section 2.4 have been obtained or made; or

(c) result in any violation or breach of, or constitute a default (with or without notice or lapse of time or both) under, any Contracts to which Parent or any Transferring Party is a party or by which any of their assets are bound, other than as would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

Section 2.6 Ownership of the Transferred Shares; Capitalization.

(a) Schedule II attached hereto sets forth the number of the Transferred Shares owned of record and beneficially by each Transferring Party as of the date of this Agreement. The Transferred Shares are held by the respective Transferring Parties free and clear of all Liens other than those arising pursuant to this Agreement or the organizational documents of Aerojet and restrictions on transfer under applicable securities Laws.

(b) None of the Transferring Parties are party to, and the Transferred Shares are not subject to, as applicable (i) any option, warrant, purchase right, right of first refusal, call, put or other agreement that could require such Transferring Party or Acquiror to sell, transfer or otherwise dispose of any of the Transferred Shares, (ii) any voting trust, proxy or other agreement relating to the voting of any Transferred Shares, (iii) any agreement, arrangement or other understanding related to the Transferred Shares that might result in or create any direct or indirect liability, obligation or commitment of any kind on the Acquiror as a result of its acquisition of the Transferred Shares, or (iv) any other agreement, arrangement or understanding with Aerojet that might result in or create any direct or indirect liability, obligation or commitment of any kind on the Acquiror as a result of its acquisition of the Transferred Shares. The Exchanged Shares are not subject to any legend which restricts their resale.

(c) The Transferred Shares are being transferred and exchanged pursuant to the exemption from the registration requirements of the Securities Act pursuant to Rule 144 of the Securities Act. The Transferring Parties have not engaged in any activities which would cause Rule 144 of the Securities Act to be unavailable for the transfer and exchange of the Transferred Shares. None of the Transferring Parties are "affiliates" (as used in Rule 144 of the Securities Act) of Aerojet.

Section 2.7 Brokers and Finders. No broker, finder or investment banker other than Imperial Capital, LLC is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent or any of its Subsidiaries.

Section 2.8 Investment Representations. Parent understands that the shares of Series E Preferred Stock that comprise the Equity Consideration are "restricted securities," as defined under Rule 144 of the Securities Act, and have not been registered under the Securities Act or any applicable state securities Law. The Transferring Parties are acquiring the Equity Consideration as principal for its own account and not with a view to or for distributing or reselling such Equity Consideration or any part thereof in violation of the Securities Act or any applicable state securities Law, has no present intention of distributing any of such Equity Consideration in violation of the Securities Act or any applicable state securities Law and has no direct or indirect arrangement or understandings with any other Persons to distribute or regarding the distribution of such Equity Consideration in violation of the Securities Act or any applicable state securities Law. Each of the Transferring Parties, is, as of the date hereof and as of the Closing Date will be, an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Section 2.9 No Other Representations or Warranties; No Reliance.

(a) Except for the express written representations and warranties made by Parent and the Transferring Parties in this Article II and in any certificate delivered by Parent or any of the Transferring Parties pursuant to this Agreement, none of Parent, the Transferring Parties or any other Person makes any express or implied representation or warranty with respect to Parent, the Transferring Parties, any of their respective Affiliates or the Transferred Shares or with respect to any other information provided to the Acquiror or any of its Affiliates or its and their respective Representatives by or on behalf of Parent, the Transferring Parties or any of their respective Subsidiaries in connection with the Transactions.

(b) Each of Parent and the Transferring Parties acknowledges and agrees that, except for the representations and warranties set forth in Article III and in any certificate delivered by the Acquiror pursuant to this Agreement, neither the Acquiror nor any other Person makes or has made any express or implied representation or warranty with respect to the Acquiror or the Equity Consideration or with respect to any other information provided to Parent, the Transferring Parties or any of their Affiliates or its and their respective Representatives by or on behalf of the Acquiror or any of its respective Subsidiaries in connection with the Transactions. Each of Parent and the Transferring Parties, on its own behalf and on behalf of its Affiliates (other than the Acquiror and its Subsidiaries) and its and their respective Representatives, disclaims reliance on any representations or warranties or other information provided to them by the Acquiror, any of its Subsidiaries or its or their respective Representatives or any other Person except for the representations and warranties expressly set forth in Article III and in any certificate delivered by the Acquiror pursuant to this Agreement. Without limiting the generality of the foregoing, each of Parent and the Transferring Parties, on its own behalf and on behalf of its Affiliates (other than the Acquiror and its Subsidiaries) and its and their respective Representatives, acknowledges and agrees that none of the Acquiror, any of its Subsidiaries or any other Person shall have or be subject to any liability or other obligation to Parent or the Transferring Parties or any other Person resulting from the distribution to Parent or the Transferring Parties or any of their Representatives, or Parent's or the Transferring Parties' (or such Representatives') use of, or the accuracy or completeness of, any such information, including any information, documents, projections, forecasts or other material made available to the Parent or the Transferring Parties in certain "data rooms" or management presentations in expectation of the Transactions.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE ACQUIROR

Acquiror hereby represents and warrants to Parent and the Transferring Parties that:

Section 3.1 Organization and Power. The Acquiror is a corporation duly formed, validly existing and in good standing under the Laws of the State of Delaware. The Acquiror has the requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as now conducted.

Section 3.2 Corporate Authorization. The Acquiror has all necessary corporate power and authority to enter into this Agreement and any other Transaction Documents to which the Acquiror is a party and to consummate the Transactions. The Strategic Planning Committee has unanimously adopted resolutions (i) determining that the terms of this Agreement and any other Transaction Documents to which the Acquiror is a party, and the Transactions are fair to and in the best interests of the Acquiror and the holders of capital stock of the Acquiror (other than the holders of Excluded Shares), (ii) recommending to the Acquiror Board that the Acquiror Board adopt resolutions approving, adopting and declaring advisable this Agreement, the other Transaction Documents and the Transactions and (iii) providing for the Strategic Planning Committee Recommendation. The Acquiror Board has duly adopted resolutions (i) determining that the terms of this Agreement, the other Transaction Documents and the Transactions are fair to, and in the best interests of the Acquiror and the holders of capital stock of the Acquiror (other than the holders of Excluded Shares), (ii) approving and declaring advisable this Agreement, the other Transaction Documents and the Transactions and (iii) providing for the Acquiror Board Recommendation. The execution and delivery of this Agreement and any other Transaction Documents to which the Acquiror is a party by the Acquiror and the consummation by the Acquiror of the Transactions have been duly and validly authorized by all necessary corporate action on the part of the Acquiror.

Section 3.3 Enforceability. This Agreement and any other Transaction Documents to which the Acquiror is a party have been duly executed and delivered by the Acquiror and constitutes a legal, valid and binding agreement of the Acquiror, enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exceptions.

Section 3.4 Governmental Authorizations. The execution, delivery and performance of this Agreement and any other Transaction Documents to which the Acquiror is a party by the Acquiror and the consummation by the Acquiror of the Transactions do not and will not require any consent, approval or similar authorization of, or filing with or notification to, any Governmental Entity, other than

(a) any reports that may be required to be filed under the Exchange Act in connection with this Agreement and the Transactions;

(b) compliance with the rules and regulations of Nasdaq; and

(c) compliance with the following so-called "fair price," "moratorium," "control share acquisition" or other similar state anti-takeover Laws ("Takeover Statutes").

Section 3.5 Non-Contravention. The execution, delivery and performance of this Agreement and the other Transaction Documents to which Acquiror is a party, by the Acquiror and the consummation by the Acquiror of the Transactions do not and will not:

(a) contravene or conflict with, or result in any violation of or breach of, any provision of the certificate of incorporation or bylaws of the Acquiror (the "Acquiror Organizational Documents");

(b) contravene or conflict with, or result in any violation or breach of, any Laws or Orders applicable to the Acquiror or any of its Subsidiaries or by which any assets of the Acquiror or any of its Subsidiaries ("Acquiror Assets") are bound, assuming that all consents, approvals, authorizations, filings and notifications described in Section 3.4 have been obtained or made;

(c) result in any violation or breach of, or constitute a default (with or without notice or lapse of time or both) under, any Contracts to which the Acquiror or any of its Subsidiaries is a party or by which any Acquiror Assets are bound (collectively, "Acquiror Contracts"), except as would not, individually or in the aggregate, reasonably be expected to have an Acquiror Material Adverse Effect;

(d) require any consent, approval or other authorization, or any filing with or notification to, any Person under any Acquiror Contracts, except as would not, individually or in the aggregate, reasonably be expected to have an Acquiror Material Adverse Effect;

(e) give rise to any termination, cancellation, amendment or acceleration of any rights or obligations under any Acquiror Contracts, except as would not, individually or in the aggregate, reasonably be expected to have an Acquiror Material Adverse Effect; or

(f) cause the creation or imposition of any Liens on any Acquiror Assets, except as would not, individually or in the aggregate, reasonably be expected to have an Acquiror Material Adverse Effect.

Section 3.6 Capitalization.

(a) The authorized capital stock of the Acquiror consists solely of (i) 1,400,000,000 shares of Acquiror Common Stock and (ii) 5,000,000 shares of preferred stock, par value $0.01 per share, of which (A) 140,000 have been designated as "Series A Junior Participating Preferred Stock" and (B) 35,000 have been designated as "Series C Preferred Stock" and 1,400,000 have been designated as "Series D Junior Participating Preferred Stock".

(b) Pursuant to the Certificate of Designation of Series D Junior Participating Preferred Stock filed with the Secretary of State of the State of Delaware on January 19, 2018, the Acquiror Board created the Acquiror Series D Junior Participating Preferred Stock, which were issuable in connection with the Tax Benefits Preservation Plan, dated as of January 19, 2018, by and between ModusLink Global Solutions, Inc. and American Stock Transfer & Trust Company, LLC, as rights agent, as amended as of January 8, 2021 (the "Acquiror Rights Agreement").

(c) As of the close of business on March 31, 2023, (i) 60,784,589 shares of Acquiror Common Stock were issued and outstanding, (ii) no shares of Acquiror Common Stock were held in treasury by the Acquiror and its Subsidiaries, (iii) no shares of Acquiror Series A Junior Participating Preferred Stock were issued and outstanding, (iv) no shares of Acquiror Series D Junior Participating Preferred Stock were issued and outstanding, and no shares of Acquiror Series D Junior Participating Preferred Stock were reserved for issuance pursuant to the Acquiror Rights Agreement, (v) 35,000 shares of Acquiror Series C Preferred Stock were issued and outstanding and 17,857,143 shares of Acquiror Common Stock were reserved for issuance upon conversion of such shares of Acquiror Series C Preferred Stock, and (vi) 6,293,707 shares of Acquiror Common Stock were reserved for issuance upon conversion of the Acquiror Convertible Note.

(d) Except as set forth above, as of the close of business on March 31, 2023, no shares of capital stock of the Acquiror were issued, reserved for issuance or outstanding. Since such date, no shares of capital stock of the Acquiror, or securities convertible or exchangeable into or exercisable for shares of capital stock of the Acquiror, have been issued.

(e) There are no outstanding contractual obligations of the Acquiror or any of its Subsidiaries (i) to repurchase, redeem or otherwise acquire any shares of Acquiror Common Stock or any capital stock of any Subsidiary of the Acquiror or (ii) to provide funds to or make any investment in (A) any Subsidiary of the Acquiror that is not wholly-owned by the Acquiror or (B) any other Person.

Section 3.7 No Stock Options. Except for (i) the aggregate of up to 17,857,143 shares of Acquiror Common Stock issuable upon conversion of shares of Acquiror Series C Preferred Stock, (ii) shares of Acquiror Series D Junior Participating Preferred Stock issuable pursuant to the Acquiror Rights Agreement and (iii) the aggregate of up to 6,293,707 shares of Acquiror Common Stock issuable upon conversion of the Acquiror Convertible Note, there are no options, warrants, calls, conversion rights, stock appreciation rights, subscription rights, redemption rights, repurchase rights or other rights, agreements, arrangements, understandings or commitments to which the Acquiror or any of its Subsidiaries is a party relating to the issued or unissued capital stock or other securities, limited liability company or membership interest, partnership interest or other equity interest of the Acquiror or any of its Subsidiaries or obligating the Acquiror or any of its Subsidiaries to issue, transfer, register, redeem, repurchase, acquire or sell any shares of capital stock or other securities, limited liability company or membership interest, partnership interest or other equity interest the Acquiror or any of its Subsidiaries.

Section 3.8 Voting. No holders of any class or series of capital stock of the Acquiror or any class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of any of its Subsidiaries is required to approve this Agreement, the other Transaction Documents, the issuance of the Equity Consideration or the Transactions provided that the Requisite Acquiror Vote is obtained with respect to issuance of the Acquiror Common Stock upon conversion of the Series E Preferred Stock. There are no voting trusts, proxies or similar agreements or understandings to which the Acquiror or any of its Subsidiaries is a party with respect to the voting of any shares of capital stock of the Acquiror or any class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of any of its Subsidiaries. Other than the Acquiror Convertible Note, there are no bonds, debentures, notes or other indebtedness of the Acquiror or any of its Subsidiaries that have the right to vote, or that are convertible or exchangeable into or exercisable for securities having the right to vote, on any matters on which stockholders of the Acquiror may vote.

Section 3.9 Issuance of Equity Consideration.

(a) The issuance of the Equity Consideration has been duly authorized by the Acquiror in accordance with the Acquiror Organizational Documents. The Equity Consideration, when issued and delivered by the Acquiror to the Transferring Parties in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and non-assessable, and free and clear of all Liens (other than those arising pursuant to the Acquiror Organizational Documents and restrictions on transfer under applicable securities Laws).

(b) The Acquiror Common Stock is registered pursuant to Section 12(b) of the Exchange Act and is listed on Nasdaq, and the Acquiror has not taken any action designed to terminate, or which is likely to have the effect of, terminating the registration of the Acquiror Common Stock under the Exchange Act nor has the Acquiror received any notification that the SEC is contemplating terminating (or seeking to terminate) such registration or listing.

(c) No registration under the Securities Act is required for the offer and sale of the Equity Consideration to the Transferring Parties by the Acquiror as contemplated hereby.

Section 3.10 Rights Agreement. The Acquiror has taken all necessary action to (a) render the Acquiror Rights Agreement inapplicable to this Agreement and the Transactions, (b) ensure that (i) neither Parent, the Transferring Parties nor any of their respective Affiliates will become or be deemed to be an "Acquiring Person" (as defined in the Acquiror Rights Agreement) and (ii) no "Distribution Date," "Stock Acquisition Date" or "Triggering Event" (each as defined in the Acquiror Rights Agreement) will occur, in any such case, by reason of the approval, execution or delivery of this Agreement or the other Transaction Documents, the announcement or consummation of the Transactions and (c) grant "Prior Approval of the Company" (as defined in the Acquiror Rights Agreement) with respect to the Transactions contemplated by this Agreement and other Transaction Documents.

Section 3.11 Takeover Statutes. The Acquiror Board has taken all necessary action, including, without limitation, the approval of this Agreement, the other Transaction Documents and the Transactions, to ensure that the restrictions on business combinations contained in Section 203 of the DGCL will not apply to the Transactions. No other Takeover Statutes apply or purport to apply to this Agreement, the other Transaction Documents or the Transactions.

Section 3.12 Opinion of Financial Advisor. The Strategic Planning Committee has received an opinion of Houlihan Lokey Capital, Inc. (the "Acquiror Financial Advisor"), its financial advisor, as to the fairness, from a financial point of view, to the Acquiror, and as of the date of such opinion, of the Transferred Shares to be received by the Acquiror in exchange for the Equity Consideration in connection with the Transfer and Exchange, which opinion was based on and subject to the various procedures followed, assumptions made, qualifications and limitations on the review undertaken and the other matters considered by the Acquiror Financial Advisor in connection with the preparation of its opinion. The Acquiror will make available to Parent, promptly following the execution of this Agreement for informational purposes only, a complete and correct copy of such written opinion.

Section 3.13 Brokers and Finders. No broker, finder or investment banker other than the Acquiror Financial Advisor is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Acquiror or any of its Subsidiaries.

Section 3.14 No Other Representations or Warranties; No Reliance.

(a) Except for the express written representations and warranties made by the Acquiror in this Article III and in any certificate delivered by the Acquiror pursuant to this Agreement, none of the Acquiror or any other Person makes any express or implied representation or warranty with respect to the Acquiror or any of its Affiliates or with respect to any other information provided to Parent, the Transferring Parties or any of their respective Affiliates or its and their respective Representatives by or on behalf of the Acquiror or any of its Subsidiaries in connection with the Transactions.

(b) The Acquiror acknowledges and agrees that, except for the representations and warranties set forth in Article II and in any certificate delivered by Parent or any of the Transferring Parties pursuant to this Agreement, neither Parent, the Transferring Parties nor any other Person makes or has made any express or implied representation or warranty with respect to Parent, the Transferring Parties or the Transferred Shares or with respect to any other information provided to the Acquiror or any of its Affiliates or its and their respective Representatives by or on behalf of Parent or any of the Transferring Parties or any of their respective Subsidiaries in connection with the Transactions. The Acquiror, on its own behalf and on behalf of its Affiliates (other than Parent and its other Subsidiaries) and its and their respective Representatives, disclaims reliance on any representations or warranties or other information provided to them by Parent, any of the Transferring Parties or any of their respective Subsidiaries or its or their respective Representatives or any other Person except for the representations and warranties expressly set forth in Article II and in any certificate delivered by Parent or any of the Transferring Parties pursuant to this Agreement. Without limiting the generality of the foregoing, the Acquiror, on its own behalf and on behalf of its Affiliates (other than Parent and its other Subsidiaries) and its and their respective Representatives, acknowledges and agrees that none of Parent, any of the Transferring Parties, any of their respective Subsidiaries or any other Person shall have or be subject to any liability or other obligation to the Acquiror or any other Person resulting from the distribution to the Acquiror or any of its Representatives, or the Acquiror's (or such Representatives') use of, or the accuracy or completeness of, any such information, including any information, documents, projections, forecasts or other material made available to the Acquiror in certain "data rooms" or management presentations in expectation of the Transactions.

ARTICLE IV
COVENANTS

Section 4.1 Conduct of Business of Parent and the Transferring Parties. From the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with Article VI, Parent and the Transferring Parties shall use their commercially reasonable efforts to maintain and preserve intact their respective business organizations. Without limiting the generality of the foregoing and except as otherwise contemplated by this Agreement, Parent and each Transferring Party shall not:

(a) take any action that would reasonably be expected to result in any representation or warranty of Parent and the Transferring Parties under this Agreement becoming untrue or inaccurate in any material respect at or as of any time prior to the Closing or omit to take any action necessary to prevent any such representation or warranty from becoming inaccurate in any material respect at such time;

(b) take any action that would reasonably be expected to prevent, materially delay or materially impair the ability of the Parties to consummate the Transactions; or

(c) authorize, propose or commit to do any of the foregoing.

Section 4.2 Conduct of Business of the Acquiror. From the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with Article VI, the Acquiror shall use its commercially reasonable efforts to maintain and preserve intact its business organization. Without limiting the generality of the foregoing and except as otherwise contemplated by this Agreement, the Acquiror shall not:

(a) amend its organizational documents;

(b) make, declare or pay any extraordinary cash dividend;

(c) do or effect any of the following actions with respect to its capital stock or other securities: (A) adjust, split, combine or reclassify its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock; (B) make, declare or pay any dividend (other than dividends paid by wholly-owned Subsidiaries) or distribution on, or, directly or indirectly, redeem, purchase or otherwise acquire, any shares of its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock; (C) grant any Person any right or option to acquire any shares of its capital stock; (D) issue, deliver or sell any additional shares of its capital stock or any securities convertible or exchangeable into or exercisable for any shares of its capital stock or such securities; or (E) enter into any Contract, agreement, arrangement or understanding with respect to the sale, voting, registration or repurchase of its capital stock;

(d) take any action that would reasonably be expected to result in any representation or warranty of the Acquiror under this Agreement becoming untrue or inaccurate in any material respect at or as of any time prior to the Closing or omit to take any action necessary to prevent any such representation or warranty from becoming inaccurate in any material respect at such time;

(e) take any action that would reasonably be expected to prevent, materially delay or materially impair the ability of the Parties to consummate the Transactions; or

(f) authorize, propose or commit to do any of the foregoing.

Section 4.3 Listing

(a) . Following receipt of the Requisite Acquiror Vote, the Acquiror shall use its reasonable best efforts to cause the Acquiror Common Stock issuable upon conversion of the Series E Preferred Stock to be approved for listing on Nasdaq.

Section 4.4 Notices of Certain Events. Each Party shall notify the other Parties as promptly as practicable of any notice or other communication from any Governmental Entity in connection with the Transactions.

Section 4.5 Proxy Statement.

(a) As promptly as practicable after the Closing, the Acquiror shall prepare and file with the SEC, the Acquiror Proxy Statement relating to the Acquiror Stockholders Meeting to approve the Meeting Proposals. The Acquiror shall cause the Acquiror Proxy Statement to comply as to form and substance in all material respects with the requirements of applicable Laws. Parent shall furnish all information concerning itself, the Transferring Parties and the Transferred Shares as the Acquiror may reasonably request in connection with the preparation of the Acquiror Proxy Statement; *provided*, that the Acquiror assumes no responsibility with respect to information supplied by or on behalf of Parent, its controlled Affiliates (other than the Acquiror and its Subsidiaries), the Transferring Parties or their respective Representatives for inclusion or incorporation by reference in the Acquiror Proxy Statement. As promptly as practicable after the SEC confirms orally or in writing that it has no further comments to the Acquiror Proxy Statement or that it does not intend to review the Acquiror Proxy Statement (the "Clearance Date"), the Acquiror shall file a definitive Acquiror Proxy Statement with the SEC and shall mail notice of the Acquiror Stockholders Meeting and the Acquiror Proxy Statement (collectively, the "Acquiror Proxy Materials") to the stockholders of the Acquiror.

(b) The Acquiror Proxy Statement shall include the Acquiror Board Recommendation (subject to the Acquiror Board's and the Strategic Planning Committee's fiduciary obligations under applicable Law).

(c) To the fullest extent permitted by applicable Law, no amendment or supplement to the Acquiror Proxy Statement shall be made without the approval of Parent and the Strategic Planning Committee, which approval shall not be unreasonably withheld, delayed or conditioned. The Acquiror shall promptly advise Parent upon becoming aware of any comments, responses or requests from the SEC relating to the Acquiror Proxy Materials, this Agreement, or the Transactions.

(d) The information supplied by the Parties for inclusion in the Acquiror Proxy Statement shall not, at (i) the time the Acquiror Proxy Materials (or any amendment of or supplement to the Acquiror Proxy Materials) are mailed to the stockholders of the Acquiror and (ii) the time of the Acquiror Stockholders Meeting, contain any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. If, at any time prior to the Acquiror Stockholder Meeting, (i) any information relating to the Acquiror or any of its Subsidiaries should be discovered by the Acquiror or any of its Subsidiaries that should be set forth in an amendment or a supplement to the Acquiror Proxy Statement so that the Acquiror Proxy Statement would not include any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, the Acquiror shall promptly inform Parent and (ii) any information relating to Parent, the Transferring Parties or the Transferred Shares should be discovered by Parent that should be set forth in an amendment or supplement to the Acquiror Proxy Statement so that the Acquiror Proxy Statement would not include any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, Parent shall promptly inform the Acquiror; *provided*, that (A) the Acquiror assumes no responsibility with respect to information supplied by or on behalf of Parent, its controlled Affiliates (other than the Acquiror and its Subsidiaries) or their respective Representatives for inclusion or incorporation by reference in the Acquiror Proxy Statement and (B) Parent and the Transferring Parties assume no responsibility with respect to information supplied by or on behalf of the Acquirors, its controlled Affiliates or their respective Representatives for inclusion or incorporation by reference in the Acquiror Proxy Statement. All documents that the Acquiror is responsible for filing with the SEC in connection with the Transactions shall comply as to form and substance in all material respects with the applicable requirements of the DGCL, the Securities Act and the Exchange Act.

Section 4.6 Meeting; Voting.

(a) The Acquiror shall take all lawful action necessary to call and hold the Acquiror Stockholders Meeting as promptly as practicable after the Clearance Date. The Acquiror shall cause the Acquiror Stockholders Meeting to be held as soon as practicable following the mailing of the Acquiror Proxy Materials to the stockholders of the Acquiror. Subject to the Acquiror Board's and the Strategic Planning Committee's fiduciary obligations under applicable Law, the Acquiror shall use its commercially reasonable efforts to solicit or cause to be solicited from its stockholders proxies in favor of the Meeting Proposals and to secure the Requisite Acquiror Vote.

(b) At the Acquiror Stockholders Meeting, any adjournment thereof or any other meeting of the stockholders of the Acquiror in connection with the Transactions, Parent shall vote, and cause to be voted, any shares of Acquiror Common Stock, or Acquiror Series C Preferred Stock, then owned beneficially or of record by it or any of its Affiliates, in favor of the Meeting Proposals in accordance with the Voting Agreement.

Section 4.7 Efforts. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with applicable Laws, each of the Parties shall use its commercially reasonable efforts to take, or cause to be taken, all lawful action, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, as promptly as practicable, all lawful things necessary, proper or advisable under applicable Laws and regulations to ensure that the conditions set forth in Article V are satisfied and to consummate the Transactions. If, at any time after the Closing, any further lawful action is necessary or desirable to carry out the purposes of this Agreement, including the execution of additional instruments, the proper officers and directors of each Party shall take all such necessary lawful action.

Section 4.8 Consents; Filings; Further Action. Upon the terms and subject to the conditions of this Agreement and in accordance with applicable Laws, each of the Parties shall use its respective commercially reasonable efforts to (a) obtain any consents, approvals or other authorizations required to be obtained by Parent or any of their respective Subsidiaries in connection with the Transactions, including obtaining the Requisite Acquiror Vote and (b) make any necessary filings and notifications, and thereafter make any other submissions either required or deemed appropriate by each of the Parties, with respect to the Transactions required under (i) the Securities Act, the Exchange Act and state securities or "blue sky" Laws, (ii) any applicable competition and antitrust Laws, (iii) the DGCL and Delaware Revised Uniform Limited Partnership Act, (iv) any other applicable Laws and (v) the rules and regulations of Nasdaq and NYSE. The Parties shall cooperate and consult with each other in connection with the making of all such filings and notifications, including by providing copies of all such documents to the non-filing Party and its advisors prior to filing, and none of the Parties shall file any such document if any of the other Parties shall have reasonably objected to the filing of such document. None of the Parties shall consent to any voluntary extension of any statutory deadline or waiting period or to any voluntary delay of the consummation of the Transactions at the behest of any Governmental Entity without the consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

Section 4.9 Public Announcements. The Parties shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or any of the Transactions and shall not issue any such press release or make any such public statement prior to such consultation, except to the extent required by applicable Laws or the requirements of Nasdaq and NYSE, in which case the issuing Party shall use its commercially reasonable efforts to consult with the other Parties before issuing any such release or making any such public statement.

Section 4.10 Fees, Costs and Expenses. Whether or not the Transactions are consummated, all expenses (including those payable to counsel, accountants, investment bankers, experts and consultants to a Party hereto and its Affiliates) incurred by any Party or on its behalf (collectively, "Expenses") in connection with this Agreement and the Transactions shall be paid by the Party incurring such Expenses.

Section 4.11 Takeover Statutes. If any Takeover Statute is or may become applicable to the Transactions, each of Parent and the Acquiror shall take all necessary lawful action to ensure that such Transactions may be consummated as promptly as practicable on the terms and subject to the conditions set forth in this Agreement and otherwise act to eliminate or minimize the effects of such Takeover Statute.

Section 4.12 Defense of Litigation. The Acquiror shall not settle or offer to settle any Legal Action against the Acquiror, any of its Subsidiaries or any of their respective present or former directors or officers by any stockholder of the Acquiror arising out of or relating to this Agreement or, the Transactions without the prior written consent of Parent and the Strategic Planning Committee. The Acquiror shall not cooperate with any Person that may seek to restrain, enjoin, prohibit or otherwise oppose the Transactions, and the Acquiror shall consider in good faith Parent's advice and recommendations with respect to any such effort to restrain, enjoin, prohibit or otherwise oppose the Transactions.

ARTICLE V
CONDITIONS

Section 5.1 Conditions to Obligations of the Acquiror. The obligations of the Acquiror to effect the Transactions are subject to the satisfaction or waiver by the Acquiror on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of Parent and the Transferring Parties. The representations and warranties of Parent and the Transferring Parties set forth in Article II shall be true and correct as though made on and as of the Closing Date, except for representations or warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, except where the failure of such representations and warranties to be so true and correct, would not, individually or in the aggregate, does not constitute a Parent Material Adverse Effect.

(b) Performance of Obligations by Parent and the Transferring Parties. Parent and the Transferring Parties shall have performed in all material respects all obligations required to be performed by each of them under this Agreement at or prior to the Closing Date.

(c) Closing Deliveries. The Acquiror shall have received (i) a certificate signed by the chief executive officer or chief financial officer of Parent, certifying as to the matters set forth in Section 5.1(a) and Section 5.1(b) and (ii) the other deliverables set forth in Section 1.3(a).

(d) Injunctions. No Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Laws or Orders (whether temporary, preliminary or permanent) that restrain, enjoin or otherwise prohibit consummation of the Transactions, and no Governmental Entity shall have instituted any proceeding seeking any such Laws or Orders.

Section 5.2 Conditions to Obligation of Parent and the Transferring Parties. The obligation of Parent and the Transferring Parties to effect the Transactions is also subject to the satisfaction or waiver by Parent on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of the Acquiror. The representations and warranties of the Acquiror set forth in Article III shall be true and correct as though made on and as of the Closing Date, except for representations or warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, except where the failure of any such representation or warranty to be so true and correct would not, individually or in the aggregate, prevent, materially impede or materially delay the consummation of the Transactions or the issuance of the Equity Consideration as contemplated by this Agreement.

(b) Performance of Obligations by the Acquiror. The Acquiror shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Closing Deliveries. Parent and the Transferring Parties shall have received (i) a certificate, signed by the chief executive officer or chief financial officer of the Acquiror, certifying as to the matters set forth in Section 5.2(a) and Section 5.2(b) and (ii) the other deliverables set forth in Section 1.3(b).

(d) Injunctions. No Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Laws or Orders (whether temporary, preliminary or permanent) that restrain, enjoin or otherwise prohibit consummation of the Transactions, and no Governmental Entity shall have instituted any proceeding seeking any such Laws or Orders.

Section 5.3 Frustration of Closing Conditions. None of the Parties may rely on the failure of any condition set forth in this Article V to be satisfied if such failure was caused by such Party's failure to use commercially reasonable efforts to consummate the Transactions.

ARTICLE VI
TERMINATION; AMENDMENT; WAIVER

Section 6.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Closing by mutual written consent of Parent and the Acquiror (acting upon the recommendation of the Strategic Planning Committee).

Section 6.2 Termination by Either Parent or the Acquiror. This Agreement may be terminated by either Parent or the Acquiror (acting upon the recommendation of the Strategic Planning Committee) at any time prior to the Closing:

(a) if the Transactions have not been consummated by May 1, 2023 (the "Outside Date"), except that: (i) the right to terminate this Agreement under this Section 6.2(a) shall not be available to any Party whose failure to fulfill any of its obligations has been a principal cause of, or resulted in, the failure to consummate the Transactions by such date; and (ii) the right to terminate this Agreement under this Section 6.2(a) shall not be available to the Acquiror or Parent during the pendency of any Legal Action by a Party for specific performance of this Agreement as provided by Section 7.14 and the Outside Date shall be automatically extended to (A) the tenth (10^{th}) Business Day after the dismissal, settlement or entry of a final non-appealable Order with respect to such Legal Action or (B) such other time period established by the court presiding over such Legal Action;

(b) if any Laws effected after the date of this Agreement shall prohibit consummation of the Transactions; or

(c) if (i) any Orders issued by a court of competent jurisdiction shall restrain, enjoin or otherwise prohibit consummation of the Transactions, and (ii) such Orders shall have become final and non-appealable.

Section 6.3 Termination by Parent. This Agreement may be terminated by Parent at any time prior to the Closing:

(a) if (i) the Strategic Planning Committee or the Acquiror Board (acting upon the recommendation of the Strategic Planning Committee) approves, endorses or recommends a Takeover Proposal, (ii) a tender offer or exchange offer for any outstanding shares of capital stock of the Acquiror is commenced and the Strategic Planning Committee or the Acquiror Board (acting upon the recommendation of the Strategic Planning Committee) fails to recommend against acceptance of such tender offer or exchange offer by its stockholders (for purposes hereof, taking of no position with respect to the acceptance of such tender offer or exchange offer by its stockholders shall constitute a failure to recommend against acceptance of such tender offer or exchange offer) or (iii) the Acquiror (acting upon the recommendation of the Strategic Planning Committee), the Strategic Planning Committee or the Acquiror Board (acting upon the recommendation of the Strategic Planning Committee) publicly announces its intention to do any of the foregoing;

(b) if the Strategic Planning Committee or the Acquiror Board (acting upon the recommendation of the Strategic Planning Committee) exempts any Person other than Parent or any of its Affiliates from the provisions of Section 203 of the DGCL; or

(c) if the Acquiror shall have breached any of its representations, warranties, covenants or agreements contained in this Agreement, which breach (i) would give rise to the failure of a condition set forth in Section 5.2(a) or Section 5.2(b) and (ii) has not been cured by the Acquiror within thirty (30) Business Days after the Acquiror's receipt of written notice of such breach from Parent; *provided*, that Parent shall not have a right to terminate this Agreement pursuant to this Section 6.3(c) if Parent or any other Transferring Party is then in material breach of any representation, warranty, agreement or covenant contained in this Agreement.

Section 6.4 Termination by the Acquiror. This Agreement may be terminated by the Acquiror at any time prior to the Closing if the Strategic Planning Committee shall determine that Parent or any Transferring Party shall have breached any of its representations, warranties, covenants or agreements contained in this Agreement, which breach (i) would give rise to the failure of a condition set forth in Section 5.1(a) or Section 5.1(b) and (ii) has not been cured by Parent or such Transferring Party within thirty (30) Business Days after Parent's receipt of written notice of such breach from the Acquiror; *provided*, that the Acquiror shall not have a right to terminate this Agreement pursuant to this Section 6.4 if the Acquiror is then in material breach of any representation, warranty, agreement or covenant contained in this Agreement.

Section 6.5 Effect of Termination. If this Agreement is terminated pursuant to this Article VI, it shall, to the fullest extent permitted by applicable Laws, become void and of no further force and effect, with no liability on the part of any Party (or any partner, stockholder, director, officer, employee, agent or representative of any such Party), except that if such termination results from fraud or the willful failure of any Party to perform its obligations under this Agreement, then such Party shall be fully liable for any Liabilities incurred or suffered by the other Parties as a result of such failure or breach. In determining Liabilities recoverable upon termination by a Party for the other Party's breach, such Liabilities shall not be limited to reimbursement of expenses or out-of-pocket costs and may include the benefit of the bargain lost by such Party. The provisions of this Section 6.5 and Article VII shall survive any termination of this Agreement.

Section 6.6 Amendment. This Agreement may be amended by the Parties by an instrument in writing signed by each of the Parties.

Section 6.7 Extension; Waiver. At any time prior to the Closing, each of the Parties may (a) extend the time for the performance of any of the obligations of any other Party, (b) waive any inaccuracies in the representations and warranties of any other Party contained in this Agreement or in any document delivered under this Agreement or (c) subject to applicable Laws, waive compliance with any of the covenants or conditions contained in this Agreement. Any agreement on the part of any Party to any extension or waiver shall be valid only if set forth in an instrument in writing signed by such Party. The failure of any Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

Section 6.8 Procedure for Termination, Amendment, Extension or Waiver. Notwithstanding anything to the contrary in this Agreement, (a) any termination or amendment of this Agreement shall require the prior approval of that action by the Party seeking to terminate or amend this Agreement by, if such Party is the Acquiror, the Strategic Planning Committee, if such Party is Parent, the General Partner (as defined in the Parent LPA) and if such Party is an Transferring Party, the board of directors of or similar governing body thereof and (b) any extension or waiver of any obligation under this Agreement or condition to the consummation of this Agreement shall require the prior approval of the Party entitled to extend or waive that obligation or condition by, if such Party is the Acquiror, the Strategic Planning Committee, if such Party is Parent, the General Partner (as defined in the Parent LPA) and if such Party is an Transferring Party, the board of directors of or similar governing body thereof.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Certain Definitions. For purposes of this Agreement:

(a) "Acquiror" has the meaning set forth in the preamble.

(b) "Acquiror Assets" has the meaning set forth in Section 3.5(b).

(c) "Acquiror Board" has the meaning set forth in the recitals.

(d) "Acquiror Board Recommendation" has the meaning set forth in the recitals.

(e) "Acquiror Common Stock" means the common stock, par value $0.01 per share, of the Acquiror.

(f) "Acquiror Contracts" has the meaning set forth in Section 3.5(c).

(g) "Acquiror Convertible Note" means the Acquiror's 7.50% Convertible Senior Note due March 1, 2024 issued by the Acquiror to SPHGH.

(h) "Acquiror Financial Advisor" has the meaning set forth in Section 3.12.

(i) "Acquiror Material Adverse Effect" means any Effect which, individually or together with any one or more other Effects, has or would reasonably be expected to materially impede or materially delay the ability of the Acquiror to consummate the Transactions or the issuance of the Equity Consideration in accordance with the terms of this Agreement.

(j) "Acquiror Organizational Documents" has the meaning set forth in Section 3.5(a).

(k) "Acquiror Proxy Materials" has the meaning set forth in Section 4.5(a).

(l) "Acquiror Proxy Statement" has the meaning set forth in Section 3.12.

(m) "Acquiror Rights Agreement" has the meaning set forth in Section 3.6(b).

(n) "Acquiror Series A Junior Participating Preferred Stock" means the Series A Junior Preferred Stock, par value $0.01 per share, of the Acquiror.

(o) "Acquiror Series C Preferred Stock" means the Series C Preferred Stock, par value $0.01 per share, of the Acquiror.

(p) "Acquiror Series D Junior Participating Preferred Stock" means the Series D Junior Preferred Stock, par value $0.01 per share, of the Acquiror.

(q) "Acquiror Stockholder Approval" means approval of the Nasdaq Proposal by the affirmative vote of the holders of a majority in voting power of the outstanding shares of Acquiror Common Stock and Acquiror Series C Preferred Stock (voting on an as converted to shares of Acquiror Common Stock basis), voting together as a single class, which have voting power present in person or represented by proxy and have actually voted at the Acquiror Stockholder Meeting.

(r) "Acquiror Stockholders Meeting" has the meaning set forth in the recitals.

(s) "Aerojet" has the meaning set forth in the recitals.

(t) "Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with, such first Person; *provided*, *however*, that notwithstanding anything in this definition to the contrary, the Acquiror shall not be an "Affiliate" of Parent and Parent shall not be an "Affiliate" of the Acquiror. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

(u) "Agreement" has the meaning set forth in the preamble.

(v) "Bankruptcy and Equity Exceptions" has the meaning set forth in Section 2.3.

(w) "Business Day" means any day, other than Saturday, Sunday or a federal holiday, and shall consist of the time period from 12:01 a.m. through 12:00 midnight Eastern time.

(x) "Clearance Date" has the meaning set forth in Section 4.5(a).

(y) "Closing" has the meaning set forth in Section 1.2.

(z) "Closing Date" has the meaning set forth in Section 1.2.

(aa) "COD" has the meaning set forth in the recitals.

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

(cc) "Contracts" means any contracts, agreements, notes, bonds, mortgages, indentures, commitments, leases or other instruments or obligations.

(dd) "Courts" has the meaning set forth in Section 7.5.

(ee) "Designee" has the meaning set forth in the recitals.

(ff) "DGCL" means the General Corporation Law of the State of Delaware, as amended.

(gg) "Effect" means any event, occurrence, fact, condition, change, development, circumstance or effect or cause thereof.

(hh) "Electronic Delivery" has the meaning set forth in Section 7.15.

(ii) "Equity Consideration" has the meaning set forth in the recitals.

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

(kk) "Excluded Shares" has the meaning set forth in the recitals.

(ll) "Expenses" has the meaning set forth in Section 4.10.

(mm) "Governmental Entity" has the meaning set forth in Section 2.4.

(nn) "Interest Assignment Agreements" means the Interest Assignment Agreements, to be dated as of the Closing Date, by and between the Transferring Parties (with respect to the Transferred Shares), on the one hand, and the Acquiror (or, if applicable, the Designee), on the other hand, to effect the transfer of the Transferred Shares from the Transferring Parties to Acquiror (or, if applicable, the Designee), substantially in the form attached as Exhibit C hereto.

(oo) "Laws" means any domestic or foreign laws, statutes, ordinances, rules, regulations, codes or executive orders enacted, issued, adopted, promulgated or applied by any Governmental Entity.

(pp) "Legal Actions" means legal actions, claims, demands, arbitrations, hearings, charges, complaints, investigations, examinations, indictments, litigations, suits or other civil, criminal, administrative or investigative proceedings.

(qq) "Liabilities" means liabilities or obligations of any kind, whether accrued, contingent, absolute, inchoate or otherwise.

(rr) "Liens" means any liens, pledges, security interests, claims, options, rights of first offer or refusal, charges or other encumbrances.

(ss) "Meeting Proposals" has the meaning set forth in the recitals.

(tt) "Nasdaq" means the Nasdaq Capital Market.

(uu) "Nasdaq Proposal" has the meaning set forth in the recitals.

(vv) "Orders" means any orders, judgments, injunctions, awards, decrees or writs handed down, adopted or imposed by any Governmental Entity.

(ww) "Outside Date" has the meaning set forth in Section 6.2(a).

(xx) "Parent" has the meaning set forth in the preamble.

(yy) "Parent Group" has the meaning set forth in the recitals.

(zz) "Parent LPA" has the meaning set forth in the recitals.

(aaa) "Parent Material Adverse Effect" means any Effect which, individually or together with any one or more other Effects, has or would reasonably be expected to materially impede or materially delay the ability of Parent and the Transferring Parties to consummate the Transactions in accordance with the terms of this Agreement and the other Transaction Documents.

(bbb) "Parties" has the meaning set forth in the preamble.

(ccc) "Party" has the meaning set forth in the preamble.

(ddd) "Person" means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, Governmental Entity and other entity and group (which term shall include a "group" as such term is defined in Section 13(d)(3) of the Exchange Act).

(eee) "Representatives" means officers, employees, accountants, consultants, legal counsel, investment bankers, agents and other representatives.

(fff) "Requisite Acquiror Vote" means the Acquiror Stockholder Approval.

(ggg) "SEC" means the United States Securities and Exchange Commission.

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

(iii) "Series E Preferred Stock" has the meaning set forth in the recitals.

(jjj) "Steel Excel" has the meaning set forth in the preamble.

(kkk) "Stockholders Agreement" has the meaning set forth in Section 1.3(a)(iii).

(lll) "Strategic Planning Committee" has the meaning set forth in the recitals.

(mmm) "Strategic Planning Committee Recommendation" has the meaning set forth in the recitals.

(nnn) "Subsidiary" means, when used with respect to any Person, any other Person that such first Person, as applicable, directly or indirectly owns or has the power to vote or control fifty percent (50%) or more of any other class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of such Person; *provided*, *however*, that, notwithstanding the foregoing to the contrary, the Acquiror shall not be a "Subsidiary" of Parent.

(ooo) "Takeover Proposal" means any proposal or offer relating to (i) a merger, consolidation, share or business combination involving the Acquiror or any of its Subsidiaries, (ii) a sale, lease, exchange, mortgage, transfer or other disposition, in a single transaction or series of related transactions, of fifty percent (50%) or more of the assets of the Acquiror and its Subsidiaries, taken as a whole, (iii) a purchase or sale of shares of capital stock or other securities, in a single transaction or a series of related transactions, representing fifty percent (50%) or more of the voting power of the capital stock of the Acquiror or any of its Subsidiaries, including by way of a tender offer or exchange offer, (iv) a reorganization, recapitalization, liquidation or dissolution of the Acquiror or any of its Subsidiaries or (v) any other transaction having a similar effect to those described in clauses (i) - (iv), in each case, other than the Transactions.

(ppp) "Takeover Statutes" has the meaning set forth in Section 3.4(c).

(qqq) "Transaction Documents" means this Agreement, the Interest Assignment Agreement, the COD and the Stockholders' Agreement.

(rrr) "Transactions" has the meaning set forth in the recitals.

(sss) "Transfer and Exchange" has the meaning set forth in the recitals.

(ttt) "Transferred Shares" has the meaning set forth in the recitals.

(uuu) "Transferring Party" has the meaning set forth in the preamble.

(vvv) "Transferring Parties" has the meaning set forth in the preamble.

(www) "Voting Agreement" has the meaning set forth in Section 1.3(a)(iv).

(xxx) "WebFinancial" has the meaning set forth in the preamble.

Section 7.2 Interpretation. The table of contents and headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement. Definitions shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references in this Agreement to Articles, Sections and Exhibits shall refer to Articles and Sections of, and Exhibits to, this Agreement unless the context shall require otherwise. The words "include," "includes" and "including" shall not be limiting and shall be deemed to be followed by the phrase "without limitation." Unless the context shall require otherwise, any agreements, documents, instruments or Laws defined or referred to in this Agreement shall be deemed to mean or refer to such agreements, documents, instruments or Laws as from time to time amended, modified or supplemented, including (a) in the case of agreements, documents or instruments, by waiver or consent and (b) in the case of Laws, by succession of comparable successor statutes. All references in this Agreement to any particular Law shall be deemed to refer also to any rules and regulations promulgated under that Law.

Section 7.3 Survival. The representations, warranties, covenants and agreements in this Agreement and in any certificate delivered under this Agreement shall terminate at the earlier of the Closing and upon the valid termination of this Agreement under Article VI, except that the agreements set forth in Article I, Section 4.5, Section 4.6, Section 4.7 and this Article VII shall survive the Closing, and those set forth in Section 6.5 and this Article VII shall survive termination of this Agreement. This Section 7.3 shall not limit any covenant or agreement of a Party which, by its terms, contemplates performance after the Closing.

Section 7.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to the Laws that might otherwise govern under applicable principles of conflicts of law.

Section 7.5 Submission to Jurisdiction. To the fullest extent permitted by applicable Laws, each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court of Chancery of the State of Delaware or, to the extent that the Court of Chancery of the State of Delaware is found to lack jurisdiction, then the Superior Court of the State of Delaware or, to the extent that both of the aforesaid courts are found to lack jurisdiction, then the United States District Court of the District of Delaware (collectively with any appellate courts thereof, the "Courts"), in any Legal Actions directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or the Transactions or thereby or to interpret, apply or enforce this Agreement, any document or certificate contemplated by this Agreement or the Transactions or for recognition or enforcement of any judgment relating thereto, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such Legal Actions except in the Courts, (b) agrees that any claim in respect of any such Legal Actions may be heard and determined in the Courts, (c) waives any objection which it may now or hereafter have to the laying of venue of any such Legal Actions in the Courts and (d) waives the defense of an inconvenient forum to the maintenance of any such Legal Actions in the Courts. To the fullest extent permitted by applicable Laws, each of the Parties agrees that a final judgment in any such Legal Actions shall be conclusive and may be enforced in other jurisdictions by Legal Actions on the judgment or in any other manner provided by applicable Law. Each of the Parties irrevocably consents to service of process in the manner provided for notices in Section 7.7 or in any other manner permitted by applicable Laws.

Section 7.6 Waiver of Jury Trial. Each of the Parties acknowledges and agrees that any controversy directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or the Transactions is likely to involve complicated and difficult issues and, therefore, it irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any Legal Actions directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or the Transactions. Each of the Parties certifies and acknowledges that (a) no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of any Legal Actions, seek to enforce the foregoing waiver, (b) such Party has considered the implications of this waiver, (c) such Party makes this waiver voluntarily and (d) such Party has been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section 7.6.

Section 7.7 Notices. All notices, requests, instructions, consents, claims, demands, waivers, approvals and other communications to be given or made hereunder by one or more Parties to one or more of the other Parties shall, unless otherwise specified herein, be in writing and shall be deemed to have been duly given or made on the date of receipt by the recipient thereof if such day is a Business Day (or otherwise on the next succeeding Business Day) if (a) personally delivered or by an internationally recognized overnight courier service upon the Party or Parties for whom it is intended, (b) delivered by registered or certified mail, return receipt requested or (c) sent by email; provided, that notice given by email shall not be effective unless either (i) a duplicate copy of such email notice is promptly given by one of the other methods described in this Section 7.7 or (ii) the receiving Party delivers a written confirmation of receipt of such notice by email or any other method described in this Section 7.7. Such communications must be sent to the respective Parties at the following street addresses or email addresses or at such other street address or email address for a Party as shall be specified for such purpose in a notice given in accordance with this Section 7.7.

If to Parent or the Transferring Parties, to:

Steel Partners Holdings L.P.
590 Madison Avenue, 32nd Floor
New York, New York, 10022
Attention: Maria Reda
Email: [**]

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

Greenberg Traurig, LLP
333 SE 2nd Avenue, Suite 4400
Miami, FL 33131
Attention: Alan I. Annex and Flora Perez
Email: [**]

If to the Acquiror, to:

Steel Connect, Inc.
590 Madison Avenue, 32nd Floor
New York, New York, 10022
Attention: Jason Wong
Email: [**]

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

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Attention: Colin J. Diamon and Andrew J. Ericksen
Email: [**]

and

Dentons US LLP
22 Little W 12th Street
New York, NY 10014
Attention: Victor H. Boyajian, Ira L. Kotel, and Ilan Katz
Email: [**]

or to such other Persons or addresses as may be designated in writing by the Person entitled to receive such communication as provided above.

Section 7.8 Entire Agreement. This Agreement (including exhibits to this Agreement) constitutes the entire agreement and supersede all other prior agreements, understandings, representations and warranties, both written and oral, among the Parties with respect to the subject matter of this Agreement. No representation, warranty, inducement, promise, understanding or condition not set forth in this Agreement has been made or relied upon by any of the Parties.

Section 7.9 No Third-Party Beneficiaries. This Agreement is not intended to confer upon any Person other than the Parties any rights or remedies.

Section 7.10 Severability. To the fullest extent permitted by applicable Laws, the provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability or the other provisions of this Agreement. If any provision of this Agreement, or the application of that provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted for that provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of the invalid or unenforceable provision and (b) the remainder of this Agreement and the application of the provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of the provision, or the application of that provision, in any other jurisdiction.

Section 7.11 Rules of Construction. The Parties have been represented by counsel during the negotiation and execution of this Agreement and waive the application of any Laws or rule of construction providing that ambiguities in any, agreement or other document shall be construed against the Party drafting such agreement or other document to the fullest extent permitted by applicable Laws.

Section 7.12 Assignment. This Agreement shall not be assignable by operation of law or otherwise without the prior written consent of each Party. Any purported assignment in violation of this Section 7.12 shall be null and void.

Section 7.13 Remedies. Except as otherwise provided in this Agreement, any and all remedies expressly conferred upon a Party shall be cumulative with and not exclusive of any other remedy contained in this Agreement, at law or in equity and the exercise by a Party of any one remedy shall not preclude the exercise of any other remedy.

Section 7.14 Specific Performance. The Parties acknowledge and agree that (a) irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and (b) monetary damages would both be incalculable and an insufficient remedy for such failure or breach. It is accordingly agreed that, in addition to any other remedy they are entitled to at law or in equity, each of the Parties shall, to the fullest extent permitted by applicable Laws, be entitled to specific performance and the issuance of immediate injunctive and other equitable relief to prevent breaches of this Agreement and to specifically enforce the terms and provisions hereof in the Courts, without the necessity of proving the inadequacy of money damages as a remedy, and, to the fullest extent permitted by applicable Laws, the Parties further waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties are entitled at Law or in equity. Each of the Parties further agrees, to the fullest extent permitted by applicable Laws, that in the event of any action for specific performance in respect of such breach or violation, it will not assert the defense that a remedy at law would be adequate or that the consideration reflected in this Agreement was inadequate or that the terms of this Agreement were not just and reasonable.

Section 7.15 Counterparts; Effectiveness. To the fullest extent permitted by applicable Laws, this Agreement and any document or certificate contemplated by this Agreement may be executed and delivered, including by e-mail of an attachment in Adobe Portable Document Format or other file format based on common standards ("Electronic Delivery"), in any number of counterparts, and in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Any such counterpart, to the extent delivered using Electronic Delivery shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in-person. To the fullest extent permitted by applicable Laws, none of the Parties shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or this Agreement or any document or certificate contemplated by this Agreement was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each forever waives any such defense, except to the extent that such defense relates to lack of authenticity. This Agreement shall become effective when each Party shall have received counterparts signed by all of the other Parties.

Section 7.16 Strategic Planning Committee. Notwithstanding anything to the contrary set forth in this Agreement (but subject to the provisions of this Section 7.16), until the Closing, (a) the Acquiror may take the following actions only with the prior approval or recommendation of the Strategic Planning Committee: (i) amending, restating, modifying or otherwise changing any provision of this Agreement; (ii) waiving any right under this Agreement or extending the time for the performance of any obligation of Parent or the Transferring Parties under this Agreement; (iii) terminating this Agreement; (iv) taking any action under this Agreement that expressly requires the approval of the Strategic Planning Committee; (v) making any decision or determination, or taking any action under or with respect to this Agreement, the other Transaction Documents or the Transactions, that would reasonably be expected to be, or is required to be, approved, authorized, ratified or adopted by the Acquiror Board; (vi) granting any approval or consent for, or agreement to, any item for which the approval, consent or agreement of the Acquiror is required under this Agreement or the other Transaction Documents; and (vii) agreeing to do any of the foregoing and (b) no decision or determination shall be made, or action taken, by the Acquiror or by the Acquiror Board under or with respect to this Agreement, the other Transaction Documents or the Transactions without first obtaining the approval of the Strategic Planning Committee. For the avoidance of doubt, (A) any requirement of the Acquiror or the Acquiror Board to obtain the approval of the Strategic Planning Committee pursuant to this Section 7.16 shall not, and shall not be deemed to, modify or otherwise affect any rights of the Acquiror, or any obligations of the Acquiror to Parent or the Transferring Parties set forth in this Agreement and (B) in no event shall the Strategic Planning Committee have the right, power or authority to cause the Acquiror to take any action or matter (other than the election of directors) expressly required by the DGCL to be submitted to the Acquiror's stockholders for approval.

[Signature Page Follows]

IN WITNESS WHEREOF, this Exchange Agreement has been duly executed and delivered by the duly authorized officers of the Parties as of the date first written above.

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc., its general partner

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

STEEL EXCEL, INC.

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WEBFINANCIAL HOLDING CORPORATION

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

STEEL CONNECT, INC.

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer and Treasurer

EXHIBIT A

CERTIFICATE OF DESIGNATION

EXHIBIT B-1

STOCKHOLDERS' AGREEMENT

EXHIBIT B-2

FORM OF VOTING AGREEMENT

EXHIBIT C

INTEREST ASSIGNMENT AGREEMENT

SCHEDULE I

EQUITY CONSIDERATION

Transferring Party	Number of Series E Preferred Shares to be Issued
WebFinancial Holding Corporation	3,387,957
Steel Excel, Inc.	112,043
Total	**3,500,000**

SCHEDULE II

TRANSFERRED SHARES

Transferring Party	Number of Transferred Shares To Be Transferred
WebFinancial Holding Corporation	3,482,572
Steel Excel, Inc.	115,172
Total	**3,597,744**

Exhibit 10.2

EXECUTION VERSION

STOCKHOLDERS' AGREEMENT

STOCKHOLDERS' AGREEMENT, dated as of April 30, 2023 (this "Agreement"), by and among Steel Connect, Inc., a Delaware corporation (the "Company"), Steel Partners Holdings L.P., a Delaware limited partnership ("SP") and the Persons (as defined below) affiliated with SP identified on the signature page hereto (together with SP, the "SP Investors").

RECITALS

WHEREAS, the SP Investors currently beneficially own 52.6% of the outstanding equity interest of the Company, on an as-converted basis;

WHEREAS, the Company, SP and certain Affiliates of SP party thereto (the "Transferring Parties") have entered into a Transfer and Exchange Agreement, dated as of April 30, 2023 (the "Transfer and Exchange Agreement"), pursuant to which the Transferring Parties will exchange certain assets held by them in exchange for 3,500,000 shares of Series E Convertible Preferred Stock of the Company (the "Series E Preferred Stock");

WHEREAS, the parties hereto wish to enter into this Agreement to set forth their agreement as to the matters set forth herein; and

WHEREAS, the execution and delivery of this Agreement is a condition to the obligations of the Company and the Transferring Parties under the Transfer and Exchange Agreement.

AGREEMENT

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

ARTICLE 1
CERTAIN DEFINITIONS

SECTION 1.01 Certain Definitions.

As used in this Agreement, the following terms shall have the following respective meanings:

"Affiliate" with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with, such first Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in preamble.

"Board" means the Board of Directors of the Company.

"Business Day" means any day, other than Saturday, Sunday or a federal holiday, and shall consist of the time period from 12:01 a.m. through 12:00 midnight Eastern time.

"Bylaws" means the Fourth Amended and Restated Bylaws of the Company, effective June 23, 2014, as they may hereafter be amended from time to time.

"Charter" means the Restated Certificate of Incorporation of the Company dated as of September 29, 2008, as it may hereafter be amended from time to time.

"Closing" means the closing of the transactions contemplated by the Transfer and Exchange Agreement.

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

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

"Company" has the meaning set forth in preamble.

"Company Common Stock" means the Company's common stock, par value, $0.01 per share.

"Convertible Instruments" means the Series E Preferred Stock, the Series C Convertible Preferred Stock, par value $0.01 per share, of the Company, and the 7.50% Convertible Senior Note due 2024 of the Company.

"DAC Independent Director" has the meaning set forth in Section 2.02(b).

"Disinterested Audit Committee" has the meaning set forth in Section 2.02(b).

"Disinterested Director" means a director that (i) is not an employee, consultant or officer of the Company or any member of the SP Group, (ii) is not an Affiliate of the SP Group or any Person that is an Affiliate of the SP Group, (iii) is not an Immediate Family Member of an Affiliate of the SP Group, and (iv) does not have any direct or indirect financial interest in or with respect to any transaction between the Company and the SP Group.

"Electronic Delivery" has the meaning set forth in Section 4.08.

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

"Final Sunset Date" means the date upon which any Person or group of related Persons owns 100% of equity securities of the Company.

"Going-Private Transaction" has the meaning set forth in Section 2.03(c).

"Governmental Entity" means any domestic or foreign international, national, federal, state, provincial or local governmental, regulatory or administrative authority, agency, commission, court, tribunal, arbitral body or self-regulated entity.

"Immediate Family Member" of any Person means such Person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone else (other than domestic employees) sharing such Person's home.

"Independence Standards" means the standard of independence necessary for a director to qualify as an "Independent Director under" (i) the rules and listing standards of the Stock Exchange, as may be amended from time to time, (ii) the rules and regulations of the Commission, as may be amended from time to time, and (iii) in the Charter.

"Independent Audit Committee" has the meaning set forth in Section 2.02(a).

"Independent Directors" means members of the Board who meet the Independence Standards.

"Initial Sunset Date" means September 1, 2025.

"Intermediate Sunset Date" means September 1, 2028.

"Laws" means any domestic or foreign laws, statutes, ordinances, rules, regulations, codes or executive orders enacted, issued, adopted, promulgated or applied by any Governmental Entity.

"Market Value" means (1) prior to the Potential Delisting Date (if any), as of any date of determination, the product of (a) the number of outstanding shares of the Company Common Stock publicly disclosed in the Company's most recently issued financial statements filed by the Company with the Commission and (b) the closing price of a share of Company Common Stock (as quoted on Bloomberg L.P.'s page or any successor page thereto of Bloomberg L.P. or if such page is not available, any other commercially available source) and (2) after the Potential Delisting Date (if any), the equity value of the Company, as determined by the Board in good faith.

"Net-Positive After-Acquired Stock Position" means, to the extent that the SP Investors purchase and/or sell any shares of Company Common Stock on or after the date of the Closing but prior to the Reith Distribution, the excess, if any, of (i) the aggregate number of shares of Company Common Stock "beneficially owned" (as defined under Rule 13d-3 of the Exchange Act) by the SP Investors on the date of the Reith Distribution *minus* (ii) the aggregate number of shares of Company Common Stock beneficially owned the SP Investors immediately following the Closing (which, for the avoidance of doubt, for purposes of both clauses (i) and (ii), shall exclude shares of Company Common Stock issuable upon conversion of the Convertible Instruments).

"Person" means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, Governmental Entity and other entity and group (which term shall include a "group" as such term is defined in Section 13(d)(3) of the Exchange Act).

"Potential Delisting Date" means the date, if any, on which the Company ceases to be an SEC Reporting Company.

"Reith Claims" means any claims brought by the Company or any of its Subsidiaries arising out of, or in connection with, the Reith Litigation.

"Reith Distribution" has the meaning set forth in Section 3.01(a).

"Reith Litigation" means the lawsuit entitled Reith v. Lichtenstein, et al., C.A. No. 2018-0277-MTZ (Del. Ch. 2018) class and derivative action and any related actions.

"Reith Litigation Expenses" means, without duplication, the sum of all documented out-of-pocket fees, costs and expenses (including attorneys' fees and expenses) reasonably incurred by the Company or any Subsidiary of the Company in pursuing, prosecuting and settling the Reith Claims; which shall (i) include (x) the fees and expenses of advisors and witnesses (including expert witnesses), court costs and out-of-pocket expenses reasonably incurred by current or former employees or advisors of the Company (excluding any compensation expenses of current employees of the Company) and (y) any Tax accrued or incurred as a result of the Company's receipt of the Reith Litigation Proceeds to the extent that such Tax is not capable of being offset by any net-operating loss carryforwards or any current losses or deductions in the current year in which the Reith Litigation Proceeds are received, and (ii) exclude (x) any fees, costs and expenses incurred by any member of the SP Group and their Affiliates (other than the Company and any Subsidiary of the Company) and (y) any fees, costs and expenses that were paid from any settlement amount prior to distribution of the Reith Litigation Proceeds to the Company, in each case, as determined in good faith by the Independent Audit Committee.

"Reith Litigation Proceeds" means all cash compensation, payments, penalties, interest and other damages, if any, recovered or received by the Company or any of its Affiliates as a result of the Reith Claims, whether such compensation, penalties, interest or other damages are recovered at trial, upon appeal or in settlement.

"Reith Net Litigation Proceeds" means (i) the Reith Litigation Proceeds minus (ii) the Reith Litigation Expenses.

"Related Party Transaction" means any agreement or transaction between the Company and any Person in the SP Group.

"SEC Reporting Company" means an issuer that is subject to the reporting requirements of the Section 13 or Section 15(d) of the Exchange Act.

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

"Series E Preferred Stock" has the meaning set forth in the recitals.

"Services Agreement" has the meaning set forth in Section 2.03(b)(i).

"SP" has the meaning set forth in preamble.

"SP Group" means the SP Investors and their Subsidiaries and Affiliates.

"SP Investors" has the meaning set forth in preamble.

"Steel Services" has the meaning set forth in Section 2.03(b)(i).

"Stock Exchange" means the Nasdaq Capital Market or such other national stock exchange on which the Company Common Stock is listed for trading.

"Subsidiary" means, when used with respect to any Person, any other Person that such first Person, as applicable, directly or indirectly owns or has the power to vote or control fifty percent (50%) or more of any other class or series of capital stock, limited liability company or membership interest, partnership interest or other equity interest of such Person; *provided*, *however*, that, notwithstanding the foregoing to the contrary, the Company shall not be a "Subsidiary" of any Person in the SP Group.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature imposed on or determined with reference to gross or net income.

"Transaction Committee" has the meaning set forth in Section 2.02(d).

"Transfer and Exchange Agreement" has the meaning set forth in the recitals.

"Transferring Parties" has the meaning set forth in the recitals.

ARTICLE 2
CORPORATE GOVERNANCE

SECTION 2.01 Size and Composition of the Board. From the Closing through the Final Sunset Date, the Board shall consist of seven (7) Directors; *provided, however,* that the Board shall further increase the number of directors to the extent necessary to comply with applicable law and the rules and regulations of the Stock Exchange.

SECTION 2.02 Committees.

(a) From and after the Closing and until the Potential Delisting Date, the Board shall at all times maintain such committees as may be required by the rules and regulations of the Commission and the applicable rules and listing standards of the Stock Exchange, including an audit committee consisting of at least three (3) members, all of which members satisfy the Independence Standards (the "Independent Audit Committee").

(b) If the Company ceases to be an SEC Reporting Company prior to the Final Sunset Date, then from the Potential Delisting Date through the Final Sunset Date, the Board shall have a disinterested audit committee (the "Disinterested Audit Committee") comprised of at least three directors with (i) at least one (1) member that satisfies the Independence Standards (the "DAC Independent Director") and (ii) all remaining members qualifying as Disinterested Directors. For the avoidance of any doubt, the obligations to maintain a Disinterested Audit Committee shall apply even if the Company is not required to maintain a Disinterested Audit Committee pursuant to the rules and regulations of the Commission or the applicable rules and listing standards of the Stock Exchange.

(c) The Independent Audit Committee and the DAC Independent Director shall have the authority, at such time as it chooses to do so, to interview, select and retain, at the Company's expense and on behalf of the Board of Directors, the Independent Audit Committee or the Disinterested Audit Committee, such investment bankers, financial advisors, attorneys, accountants or other advisors as it may deem appropriate, and to establish the terms of engagement of each such advisor, including in connection with the approval of any transaction described in Section 2.03.

(d) Promptly following the Closing, the Company will create a transaction committee comprised of directors and members of senior management of the Company (the "Transaction Committee"). The Transaction Committee shall propose, consider and evaluate potential strategic transactions for the Company that increase shareholder value.

(e) The Board shall take or cause to be taken all lawful action necessary or appropriate to ensure that none of the Charter or Bylaws contain any provisions inconsistent with this Agreement or which would in any way nullify or impair the terms of this Agreement or the rights of the Company or of the SP Investors hereunder. The Charter and Bylaws shall not be amended prior to the Final Sunset Date in any manner inconsistent with this Agreement or which would in any way nullify or impair the terms of this Agreement or the rights of the Company or of the SP Investors hereunder without the prior approval of the Independent Audit Committee or Disinterested Audit Committee, as applicable.

SECTION 2.03 Approval Required for Certain Actions.

(a) From the Closing until the Initial Sunset Date, in addition to any approval by the Board required by the Charter, the Bylaws, applicable Law or applicable rules and regulations of the Commission or the Stock Exchange, the prior approval of the Independent Audit Committee shall be required in order for the Board to validly approve and authorize a voluntary delisting of the Company Common Stock from the Stock Exchange or a transaction (including an merger, recapitalization, stock split or otherwise) which results in (i) the delisting of the Company Common Stock from the Stock Exchange, (ii) the Company ceasing to be an SEC Reporting Company or (iii) the Company filing a Form 25, Form 15 or any similar form with the Commission. From the Closing until the Initial Sunset Date, the Board shall cause the Company to take all actions required to maintain the listing of the Company Common Stock on the Stock Exchange and to cause the Company to be an SEC Reporting Company.

(b) From the Closing until the Initial Sunset Date, in addition to any approval by the Board required by the Charter, the Bylaws, applicable Law or applicable rules and regulations of the Commission or the Stock Exchange, the prior approval of (1) the Independent Audit Committee or (2) the Disinterested Audit Committee, as applicable, shall be required in order for the Board to validly approve and authorize any of the following:

(i) any amendment to the terms of that certain Management Services Agreement (the "Services Agreement") dated June 14, 2019, by and between the Company and Steel Services Ltd., an indirect wholly-owned subsidiary of SP ("Steel Services"), *provided, however,* that nothing herein shall limit Steel Service's or SP's right to terminate the Services Agreement pursuant to its terms; or

(ii) any Related Party Transaction (other than an amendment to the Services Agreement) in which case, the Independent Audit Committee or the Disinterested Audit Committee, as applicable, will, to the extent it determines, in its sole discretion (except as otherwise indicated in this Section 2.03(b)(ii)), that such Related Party Transaction is material, implement a special process that is customary in connection with the review and approval of such Related Party Transaction; *provided, however,* that the parties agree that, any Related Party Transaction where the amount involved exceeds $80 million shall be deemed material if the Company's Market Value at such time is below $750 million; *provided further, however,* in determining if a Related Party Transaction is material, the Independent Audit Committee or the Disinterested Audit Committee, as applicable, shall treat all related steps or transactions that form part of a Related Party Transaction as a single Related Party Transaction.

(c) Subject to Section 2.03(d), from and after the Closing until the Intermediate Sunset Date, in addition to any approval by the Board required by the Charter, the Bylaws, applicable Law or applicable rules and regulations of the Commission or the Stock Exchange, the prior approval of the (1) Independent Audit Committee or (2) the Disinterested Audit Committee, as applicable, shall be required in order for the Board to validly approve and authorize a going private transaction pursuant to which the members of the SP Group would acquire all of the outstanding Company Common Stock not held by the SP Group (with any alternative transaction that would have the same impact, a "Going-Private Transaction"); *provided, however,* that prior to approving any Going-Private Transaction, the Independent Audit Committee or Disinterested Audit Committee, as applicable, shall engage financial and legal advisors (and such other advisors as it deems appropriate) pursuant to Section 2.02(c) to assist in its evaluation of the Going-Private Transaction.

(d) From and after the Closing until the Final Sunset Date, in addition to any approval by the Board required by the Charter, the Bylaws, applicable Law or applicable rules and regulations of the Commission or the Stock Exchange, the prior approval of the (1) Independent Audit Committee or (2) the Disinterested Audit Committee, as applicable, shall be required in order for the Board to validly approve and authorize a short-form or squeeze-out merger between the Company and a Person or Persons within the SP Group; *provided, however,* that prior to approving any such short-form or squeeze-out merger, the Independent Audit Committee or Disinterested Audit Committee, as applicable, shall engage financial and legal advisors (and such other advisors as it deems appropriate) pursuant to Section 2.02(c) to assist in its evaluation of the short-form or squeeze-out merger.

(e) From and after the Closing until the Final Sunset Date, in addition to any approval by the Board required by the Charter, the Bylaws, applicable Law or applicable rules and regulations of the Commission or the Stock Exchange, the prior approval of the (1) Independent Audit Committee or (2) the Disinterested Audit Committee, as applicable, shall be required prior to any transfer of equity interests in the Company by the members of the SP Group if such transfers would result in 80% of the voting power and value of the equity interests in the Company that are held by the members of the SP Group being held by one corporate entity.

ARTICLE 3
ALLOCATION OF LITIGATION PROCEEDS

SECTION 3.01 Allocation of Litigation Proceeds.

Upon any resolution of the Reith Litigation and receipt by the Company of any Reith Litigation Proceeds, the Company and the SP Investors agree that:

(a) Seventy percent (70%) of any Reith Net Litigation Proceeds shall be, to the extent not prohibited by applicable Law, promptly distributed by way of a special dividend or other distribution, as determined by the Board (the "Reith Distribution"), to the holders of Company Common Stock outstanding on the record date set by the Board for such dividend or distribution, with the remaining thirty percent (30%) of the Reith Net Litigation Proceeds being retained by the Company;

(b) the SP Investors hereby waive any right to receive any portion of the Reith Distribution to the extent of any shares of Company Common Stock held by the SP Investors as of the Closing or acquired upon conversion of the Convertible Instruments; *provided, however,* to the extent any SP Investor acquires Company Common Stock after the Closing (other than in connection with the conversion of the Convertible Instruments), it will be entitled to its pro-rata portion of the Reith Distribution with respect to its Net-Positive After-Acquired Stock Position; and

(c) the Company shall be entitled to deduct and withhold, or cause to be deducted or withheld, from the Reith Distribution otherwise payable pursuant to this Agreement, such amounts as it may be required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law.

ARTICLE 4
MISCELLANEOUS

SECTION 4.01 Termination. This Agreement shall terminate upon the earliest to occur of:

(a) written agreement to that effect, signed by all parties hereto or all parties then possessing any rights hereunder; *provided, however, that* any termination of this Agreement prior to the Final Sunset Date requires the approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable; and

(b) the consummation of a Going-Private Transaction.

SECTION 4.02 Notices. All notices, requests, instructions, consents, claims, demands, waivers, approvals and other communications to be given or made hereunder by one or more parties to one or more of the other parties shall, unless otherwise specified herein, be in writing and shall be deemed to have been duly given or made on the date of receipt by the recipient thereof if such day is a Business Day (or otherwise on the next succeeding Business Day) if (a) personally delivered or by an internationally recognized overnight courier service upon the arty or parties for whom it is intended, (b) delivered by registered or certified mail, return receipt requested or (c) sent by email; *provided, however,* that notice given by email shall not be effective unless either (i) a duplicate copy of such email notice is promptly given by one of the other methods described in this Section 4.02 or (ii) the receiving party delivers a written confirmation of receipt of such notice by email or any other method described in this Section 4.02. Such communications must be sent to the respective parties at the following street addresses or email addresses or at such other street address or email address for a party as shall be specified for such purpose in a notice given in accordance with this Section 4.02.

If to SP or any SP Investor, to:

Steel Partners Holdings L.P.
590 Madison Avenue, 32nd Floor
New York, New York, 10022
Attention: Maria Reda
Email: [**]

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

Greenberg Traurig, LLP
333 SE 2nd Avenue, Suite 4400
Miami, FL 33131
Attention: Alan I. Annex and Flora Perez
Email: [**]

If to the Company, to:

Steel Connect, Inc.
590 Madison Avenue, 32nd Floor
New York, New York, 10022
Attention: Jason Wong
Email: [**]
with a copy (which shall not constitute notice) to:

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Attention: Colin J. Diamon and Andrew J. Ericksen
Email: [**]

and

Dentons US LLP
22 Little W 12th Street
New York, NY 10014
Attention: Victor H. Boyajian, Ira L. Kotel, and Ilan Katz
Email: [**]

or to such other Persons or addresses as may be designated in writing by the Person entitled to receive such communication as provided above.

SECTION 4.03 No Third-Party Beneficiaries. This Agreement is not intended to confer upon any Person other than the parties any rights or remedies.

SECTION 4.04 Expenses Except as otherwise specified in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses.

SECTION 4.05 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to the Laws that might otherwise govern under applicable principles of conflicts of law. To the fullest extent permitted by applicable Laws, each of the parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court of Chancery of the State of Delaware or, to the extent that the Court of Chancery of the State of Delaware is found to lack jurisdiction, then the Superior Court of the State of Delaware or, to the extent that both of the aforesaid courts are found to lack jurisdiction, then the United States District Court of the District of Delaware (collectively with any appellate courts thereof, the "Courts"), in any legal actions directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement or thereby or to interpret, apply or enforce this Agreement, any document or certificate contemplated by this Agreement or for recognition or enforcement of any judgment relating thereto, and each of the parties hereby irrevocably and unconditionally (a) agrees not to commence any such legal actions except in the Courts, (b) agrees that any claim in respect of any such legal actions may be heard and determined in the Courts, (c) waives any objection which it may now or hereafter have to the laying of venue of any such legal actions in the Courts and (d) waives the defense of an inconvenient forum to the maintenance of any such legal actions in the Courts. To the fullest extent permitted by applicable Laws, each of the parties to this Agreement agrees that a final judgment in any such legal actions shall be conclusive and may be enforced in other jurisdictions by legal actions on the judgment or in any other manner provided by applicable Law. Each of the parties irrevocably consents to service of process in the manner provided for notices in Section 4.02 or in any other manner permitted by applicable Laws.

SECTION 4.06 Waiver of Jury Trial. Each of the parties acknowledges and agrees that any controversy directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement is likely to involve complicated and difficult issues and, therefore, it irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal actions directly or indirectly arising out of or relating to this Agreement, any document or certificate contemplated by this Agreement. Each of the parties certifies and acknowledges that (a) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of any legal actions, seek to enforce the foregoing waiver, (b) such party has considered the implications of this waiver, (c) such party makes this waiver voluntarily and (d) such party has been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section 4.06.

SECTION 4.07 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties hereto shall be entitled to specific performance of the terms hereof, in addition to any other remedy at Law or in equity.

SECTION 4.08 Counterparts; Effectiveness. To the fullest extent permitted by applicable Laws, this Agreement may be executed and delivered, including by e-mail of an attachment in Adobe Portable Document Format or other file format based on common standards ("Electronic Delivery"), in any number of counterparts, and in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Any such counterpart, to the extent delivered using Electronic Delivery shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in-person. To the fullest extent permitted by applicable Laws, none of the parties shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or this Agreement or any document or certificate contemplated by this Agreement was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each forever waives any such defense, except to the extent that such defense relates to lack of authenticity. This Agreement shall become effective when each party to this Agreement shall have received counterparts signed by all of the other parties.

SECTION 4.09 Entire Agreement. This Agreement (including exhibits to this Agreement) constitutes the entire agreement and supersede all other prior agreements, understandings, representations and warranties, both written and oral, among the parties to this Agreement with respect to the subject matter of this Agreement. No representation, warranty, inducement, promise, understanding or condition not set forth in this Agreement has been made or relied upon by any of the parties to this Agreement.

SECTION 4.10 Assignment. This Agreement shall not be assigned by operation of Law or otherwise without the express written consent of the parties hereto (which consent may be granted or withheld in the sole discretion of any party) and any such assignment or attempted assignment without such consent shall be void.

SECTION 4.11 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Company and each the SP Investors or (b) by a waiver in accordance with Section 4.12; *provided, however,* that any amendment of this Agreement by the Company prior to the Final Sunset Date requires the approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable.

SECTION 4.12 Waiver. Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party or (b) waive compliance with any of the agreements of the other party or conditions to such party's obligations contained herein; *provided, however,* that any waiver of this Agreement by the Company prior to the Final Sunset Date requires the approval of the Independent Audit Committee or the Disinterested Audit Committee, as applicable. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

SECTION 4.13 Severability. To the fullest extent permitted by applicable Laws, the provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability or the other provisions of this Agreement. If any provision of this Agreement, or the application of that provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted for that provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of the invalid or unenforceable provision and (b) the remainder of this Agreement and the application of the provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of the provision, or the application of that provision, in any other jurisdiction.

SECTION 4.14 No Partnership. No partnership, joint venture or joint undertaking is intended to be, or is, formed among the parties hereto or any of them by reason of this Agreement or the transactions contemplated herein.

SECTION 4.15 Public Announcements. Except as required by Law (including for the avoidance of doubt any stock exchange rule), no party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or otherwise communicate with any news media without the prior written consent of the other parties, and the parties shall cooperate as to the timing and contents of any such press release or public announcement.

SECTION 4.16 Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by Law or otherwise.

SECTION 4.17 Interpretation; Headings. Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. Unless otherwise specified, all references herein to "Articles", "Sections" and paragraphs shall refer to corresponding provisions of this Agreement. The descriptive headings and subheadings in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement or any provision hereto.

SECTION 4.18 Construction. The parties have been represented by counsel during the negotiation and execution of this Agreement and waive the application of any Laws or rule of construction providing that ambiguities in any, agreement or other document shall be construed against the party drafting such agreement or other document to the fullest extent permitted by applicable Laws.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY:

STEEL CONNECT, INC., a Delaware corporation

By: /s/ Jason Wong
Name: Jason Wong
Title: Chief Financial Officer and Treasurer

[Signature Page to Stockholders' Agreement]

SP INVESTORS:

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc., its general partner

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WEBFINANCIAL HOLDING CORPORATION

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WHX CS, LLC

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WF ASSET CORP

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

STEEL PARTNERS LTD.

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

/s/ Warren G. Lichtenstein
Warren G. Lichtenstein

/s/ Jack L. Howard
Jack L. Howard

Exhibit 10.3

EXECUTION VERSION

FORM OF VOTING AGREEMENT

This VOTING AGREEMENT (this "***Agreement***") is entered into as of April 30, 2023, by and among Steel Connect, Inc., a Delaware corporation (the "***Company***"), Steel Partners Holdings L.P., a Delaware limited partnership ("***Parent***"), WebFinancial Holding Corporation, a Delaware corporation ("***WFH***"), WHX CS Corp., a Delaware corporation ("***WHX***"), WF Asset Corp., a Delaware corporation ("***WF Asset***"), Steel Partners, Ltd., a Delaware corporation ("***SPL***"), Warren G. Lichtenstein, an individual ("***Lichtenstein***"), and Jack L. Howard, an individual ("***Howard***", and together with WebFinancial, WHX, WF Asset, SPL, and Lichtenstein, the "***Stockholders***" and each a "***Stockholder***").

A. The Company, Parent, Steel Excel, Inc., a Delaware corporation ("***SXL***"), and WFH (WFH and SX collectively referred to herein as the "***Transferring Parties***"), have entered into that certain Transfer and Exchange Agreement (as amended from time to time, the "***Transfer and Exchange Agreement***"), dated as of the date hereof, pursuant to which the Transferring Parties have agreed to transfer, exchange, assign, and deliver to the Company, 3,597,744 shares of common stock of Aerojet Rocketdyne Holdings, Inc., a Delaware corporation collectively held by the Transferring Parties (the "***Transfer and Exchange***"*)*, and in exchange, the Company will issue the Transferring Parties 3,500,000 shares of Series E Convertible Preferred Stock (the "***Series E Preferred Stock***") of the Company having the rights and preferences set forth in that certain Certificate of Designations, Preferences and Rights of the Series E Convertible Preferred Stock of Steel Connect, Inc. attached as an Exhibit to the Contribution Agreement.

B. Following the closing of the Transfer and Exchange (the "***Closing***"), the Company will call and hold a meeting of its stockholders (the "***Company Meeting***") to consider and vote upon the rights of the Series E Preferred Stock to vote and receive dividends together with the common stock of the Company (on an as-converted basis) and the issuance of the common stock of the Company upon conversion of the Series E Preferred Stock by the holders at their option, as required by the rules and regulation of Nasdaq (the "***Nasdaq Proposal***").

C. As of the date hereof, each Stockholder is the Beneficial Owner (as defined below) of, and has the sole right to vote and dispose of, that number of each class of the issued and outstanding capital stock of the Company (the "***Company Shares***") set forth opposite such Stockholder's name on Schedule A hereto; and

D. Concurrently with the entry by the Company and the Transferring Parties into the Transfer and Exchange Agreement, the Stockholders are entering into this Agreement.

Accordingly, and in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.
DEFINITIONS

Capitalized terms used but not defined in this Agreement are used in this Agreement with the meanings given to such terms in the Transfer and Exchange Agreement. In addition, for purposes of this Agreement:

"***Affiliate***" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with, such first Person; *provided*, *however*, that notwithstanding anything in this definition to the contrary, the Company shall not be an "Affiliate" of Parent and Parent shall not be an "Affiliate" of the Company. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"***Beneficially Owned***" or "***Beneficial Ownership***" with respect to any securities means having beneficial ownership of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, disregarding the phrase "within 60 days" in paragraph (d)(1)(i) thereof), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities, securities Beneficially Owned by a Person include securities Beneficially Owned by (i) all Affiliates of such Person, and (ii) all other Persons with whom such Person would constitute a "group" within the meaning of Section 13(d) of the Exchange Act and the rules promulgated thereunder.

"***Beneficial Owner***" with respect to any securities means a Person that has Beneficial Ownership of such securities.

"***Subject Shares***" means, with respect to a Stockholder, without duplication, (i) the Company Shares Beneficially Owned by such Stockholder on the date hereof as described on Schedule A and (ii) any additional Company Shares Beneficially Owned or acquired by such Stockholder, including those over which such Stockholder acquires Beneficial Ownership from and after the date hereof.

"***Transfer***" means, with respect to a security, the sale, transfer, pledge, hypothecation, encumbrance, assignment or disposition of such security or the Beneficial Ownership thereof, whether by operation of Law or otherwise, and each option, agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing. As a verb, "***Transfer***" has a correlative meaning.

ARTICLE II.
COVENANTS OF STOCKHOLDERS

2.1 **Agreement to Vote.**

(a) At each and every meeting of the stockholders of the Company held prior to the Termination Date, however called, and at every adjournment or postponement thereof prior to the Termination Date, or in connection with each and every written consent of, or any other action by, the stockholders of Company given or solicited prior to the Termination Date, each Stockholder will vote or provide a consent with respect to, or shall cause the holder of record on any applicable record date to vote or provide a consent with respect to, all of the Subject Shares entitled to vote or to consent thereon (i) in favor of the Nasdaq Proposal, and (ii) against any other proposal or transaction which may delay, impair, prevent or nullify the Nasdaq Proposal or change in any manner the voting rights of any capital stock of the Company.

(b) No Stockholder will enter into any agreement with any Person (other than the Company) prior to the Termination Date directly or indirectly to vote, consent, grant any proxy or give instructions with respect to the voting of, the Subject Shares in respect of the matters described in Section 2.1(a) hereof, or the effect of which would be inconsistent with or violate any provision contained in this Section 2.1. Any vote or consent (or withholding of consent) by any Stockholder that is not in accordance with this Section 2.1 will be considered null and void, and the provisions of Section 2.1 will be deemed to take immediate effect.

2.2 **Revocation of Proxies; Cooperation**. Each Stockholder agrees as follows:

(a) Such Stockholder hereby represents and warrants that any proxies previously given in respect of the Subject Shares with respect to the matters described in Section 2.1(a) hereof are not irrevocable, and such Stockholder hereby revokes any and all prior proxies with respect to such Subject Shares as they relate to such matters. Prior to the Termination Date, such Stockholder will not directly or indirectly grant any proxies or powers of attorney with respect to the matters set forth in Section 2.1(a) hereof (other than to the Company), deposit any of the Subject Shares or enter into a voting agreement (other than this Agreement) with respect to any of the Subject Shares relating to any matter described in Section 2.1(a).

2.3 **No Transfer of Subject Shares**. Each Stockholder agrees that, from the date hereof until the Termination Date, such Stockholder shall not, without the prior written consent of the Strategic Planning Committee, or after the date hereof, the Audit Committee of the Company in place as of such date (the "***Independent Committee***"), Transfer or agree to Transfer any of the Subject Shares (other than to an Affiliate of the Stockholder and only to the extent the transferee becomes a party to this Agreement and agrees to the provisions set forth herein as a "Stockholder" named herein with respect to such transferred Subject Shares).

ARTICLE III.
REPRESENTATIONS, WARRANTIES AND ADDITIONAL COVENANTS OF STOCKHOLDERS

Each Stockholder represents, warrants and covenants to the Company that:

3.1 **Ownership**. Such Stockholder is the sole Beneficial Owner or the record owner of the Subject Shares identified opposite such Stockholder's name on Schedule A and such Subject Shares constitute all of the capital stock of Company Beneficially Owned by such Stockholder. Such Stockholder has good and valid title to all of the Subject Shares, free and clear of all liens, claims, options, proxies, voting agreements and security interests and has the sole right to such Subject Shares and there are no restrictions on rights of disposition or other liens pertaining to such Subject Shares. None of the Subject Shares is subject to any voting trust or other contract with respect to the voting thereof, and no proxy, power of attorney or other authorization has been granted with respect to any of such Subject Shares.

3.2 **Authority and Non-Contravention**.

(a) Such Stockholder has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby have been duly and validly authorized by all necessary action, and no other proceedings on the part of such Stockholder are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly executed and delivered by such Stockholder and, assuming due authorization, execution and delivery of this Agreement by the Company, constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) Neither the execution and delivery of this Agreement by such Stockholder nor the consummation of the transactions contemplated hereby will directly or indirectly (whether with notice or lapse of time or both) conflict with, result in any violation of or constitute a default by such Stockholder under any mortgage, bond, indenture, agreement, instrument or obligation to which such Stockholder is a party or by which it or any of the Subject Shares are bound.

(d) Such Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Article II hereof and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Subject Shares, with no limitations, qualifications or restrictions on such rights.

3.3 **Total Shares**. Except as set forth on Schedule A, no Stockholder is the Beneficial Owner of Company Shares.

ARTICLE IV.
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

The Company represents, warrants and covenants to the Stockholders that:

(a) The Company has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

(b) This Agreement has been duly and validly executed and delivered by the Company and, assuming due authorization, execution and delivery of this Agreement by the Stockholders, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

ARTICLE V.
TERM AND TERMINATION

5.1 This Agreement will become effective upon its execution by the Stockholders and the Company. This Agreement will terminate upon the earliest of (a) the date the Nasdaq Proposal is approved or (b) the termination of the Transfer and Exchange Agreement in accordance with its terms, or (c) December 31, 2023 (the date of the earliest of the events described in clauses (a), (b) and (c), the "***Termination Date***"). Notwithstanding the foregoing, Article VI of this Agreement shall survive any termination hereof.

ARTICLE VI.
GENERAL PROVISIONS

6.1 **Action in Stockholder Capacity Only**. Each Stockholder is entering into this Agreement solely in such Stockholder's capacity as a record holder or Beneficial Owner, as applicable, of the Subject Shares and not in such Stockholder's capacity as a director or officer of the Company. Nothing in this Agreement shall obligate such Stockholder to take, or forbear from taking, in its capacity as a director of the Company Board or officer of the Company, any action which is inconsistent with its or his fiduciary duties under applicable law.

6.2 **Notices**. All notices and other communications hereunder shall be in writing (including email or similar writing) and must be given:

(a) If to any Stockholder:

Steel Partners Holdings L.P.
590 Madison Avenue
New York, New York 10022
Attention: Maria Reda, Vice President, Deputy General Counsel & Secretary
Email: [**]

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

Greenberg Traurig, LLP
333 SE 2nd Avenue, Suite 4400
Miami, FL 33131
Attention: Alan I. Annex and Flora Perez
Email: [**]

(b) If to the Company:

Steel Connect, Inc.
590 Madison Avenue
New York, New York 10022
Attention: Jason Wong, Chief Financial Officer
Email: [**]

With a copy to (which shall not constitute notice):

Dentons US LLP
22 Little West 12th Street
New York, New York 10014
Attention: Victor H. Boyajian, Ira L. Kotel, and Ilan Katz
Email: [**]

and

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Attention: Colin J. Diamond and Andrew J. Ericksen
Email: [**]

or such other physical address or email address as a party may hereafter specify for the purpose by notice to the other parties hereto. Each notice, consent, waiver or other communication under this Agreement will be effective only (i) if given by email, when the email is transmitted to the email address specified in this Section 6.2 or (ii) if given by overnight courier or personal delivery when delivered at the physical address specified in this Section 6.2.

6.3 **Further Actions**. Upon the request of any party to this Agreement, the other party will (a) furnish to the requesting party any additional information, (b) execute and deliver, at their own expense, any other documents and (c) take any other actions as the requesting party may reasonably require to more effectively carry out the intent of this Agreement.

6.4 **Entire Agreement and Modification**. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. At any time prior to the Termination Date, any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by the Company (acting at the direction of the Strategic Planning Committee or Independent Committee), each Stockholder and Parent. The parties will not enter into any other agreement inconsistent with the terms and conditions of this Agreement, or that addresses any of the subject matters addressed in this Agreement.

6.5 **Drafting and Representation**. The parties agree that the terms and language of this Agreement were the result of negotiations between the parties and, as a result, there will be no presumption that any ambiguities in this Agreement will be resolved against any party. Any controversy over construction of this Agreement will be decided without regard to events of authorship or negotiation.

6.6 **Severability**. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without affecting the validity or enforceability of the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

6.7 **No Third-Party Rights**. No Stockholder may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Company (acting at the direction of the Strategic Planning Committee or Independent Committee). The Company may not assign any of its rights or delegate any of its obligations under this Agreement with respect to any Stockholder without the prior written consent of such Stockholder. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of each of the respective successors, personal or legal representatives, heirs, distributes, devisees, legatees, executors, administrators and permitted assigns of any Stockholder and the successors and permitted assigns of the Company. Nothing expressed or referred to in this Agreement will be construed to give any Person, other than the parties to this Agreement, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement except such rights as may inure to a successor or permitted assignee under this Section.

6.8 **Enforcement of Agreement**. Each Stockholder acknowledges and agrees that the Company could be damaged irreparably if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by any Stockholder could not be adequately compensated by monetary damages. Accordingly, each Stockholder agrees that, (a) it will waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) in addition to any other right or remedy to which the Company may be entitled, at law or in equity, the Company will be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

6.9 **Waiver**. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by a party in exercising any right, power or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in a written document signed by the other party (and, in the case of the Company, the waiver is given at the direction of the Strategic Planning Committee or Independent Committee), (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

6.10 **Governing Law**. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed by, construed under and enforced in accordance with the laws of the State of Delaware, without giving effect to principles of conflict or choice of laws which would result in the application of the laws of any other jurisdiction.

6.11 **Consent to Jurisdiction**. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby will be brought exclusively in the United States District Court for the District of Delaware or in the Court of Chancery of the State of Delaware and each of the parties hereto hereby consents to the exclusive jurisdiction of those courts (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by applicable Law, any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding in any of those courts or that any suit, action or proceeding which is brought in any of those courts has been brought in an inconvenient forum. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any of the named courts. Without limiting the foregoing, each party agrees that service of process on it by notice as provided in Section 6.2 will be deemed effective service of process. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

6.12 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the same instrument. An electronic copy of a party's signature (including signatures in Adobe PDF or similar format) shall be deemed an original signature for purposes hereof.

6.13 **Expenses**. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such expenses.

6.14 **Headings; Construction**. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. In this Agreement (a) words denoting the singular include the plural and vice versa, (b) "it" or "its" or words denoting any gender include all genders and (c) the word "including" means "including without limitation," whether or not expressed.

[Signature page follows]

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

STOCKHOLDERS

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc., its general partner

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

STEEL EXCEL, INC.

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WEBFINANCIAL HOLDING CORPORATION

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WHX CS, LLC

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

WF ASSET CORP

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

STEEL PARTNERS LTD.

By: /s/ Jack L. Howard
Name: Jack L. Howard
Title: President

/s/ Warren G. Lichtenstein
Warren G. Lichtenstein

/s/Jack L. Howard
Jack L. Howard

SCHEDULE A

STOCKHOLDERS

Stockholder	Common Stock Owned of Record	Common Stock Beneficially Owned	Series C Preferred Stock Owned of Record	Series C Preferred Stock Beneficially Owned
Parent	0	41,912,289	0	35,000
WF Asset	12,242,535	12,242,535	0	0
WHX	5,940,170	5,940,170	0	0
WFH		23,729,584	35,000	35,000
SPL	60,000	60,000	0	0
SXL	0	18,182,705	0	0
Lichtenstein	1,654,585	1,714,585	0	0
Howard	931,514	0	0	0

Exhibit 99.1

Steel Partners and Steel Connect close Exchange Transaction

NEW YORK, NY – May 1, 2023 – Steel Partners Holdings L.P. (NYSE: SPLP), a diversified global holding company ("Steel Partners") and Steel Connect, Inc. (NASDAQ: STCN) ("Steel Connect") today announced that Steel Partners and certain of its affiliates (the "Steel Partners Group") have transferred certain marketable securities held by the Steel Partners Group to Steel Connect in exchange for 3.5 million shares of Series E Convertible Preferred Stock of Steel Connect (the "Preferred Stock", and, such transfer and related transactions, the "Transaction"). Upon approval by the Steel Connect stockholders pursuant to NASDAQ Marketplace Rules, the Preferred Stock will be convertible into an aggregate of 184,891,318 shares of Steel Connect common stock, and will vote together with the Steel Connect common stock and participate in any dividends paid on the Steel Connect common stock, in each case on an as-converted basis. Upon conversion of the Preferred Stock, the Steel Partners Group would hold approximately 85.12% of the outstanding equity interests of Steel Connect. Steel Partners and certain of its affiliates which currently hold more than 50% of the voting power in Steel Connect have agreed to vote in favor of the stockholder proposal relating to the Preferred Stock.

The purpose of the Transaction is to provide Steel Connect with access to approximately $200 million of new capital which will be used for working capital, complementary and strategic acquisitions and general corporate purposes.

Steel Connect and Steel Partners also entered into a Stockholders' Agreement on April 30, 2023 that includes, among other things, provisions relating to certain governance and voting matters following the closing of the Transaction.

Steel Connect will call a stockholders' meeting to consider and vote upon the rights of the Preferred Stock to vote and receive dividends together with the Steel Connect common stock on an as-converted basis and the issuance of Steel Connect common stock upon conversion of the Preferred Stock by the holders at their option (the "Stockholder Proposal").

Steel Connect's Board of Directors, acting on the unanimous recommendation of the Strategic Planning Committee of the Board of Directors, approved the Transaction. The Steel Connect Board initiated a strategic alternatives process in January 2023 with the formation of a Strategic Planning Committee, comprised solely of independent and disinterested members of the Board. After careful consideration, the Strategic Planning Committee unanimously determined that the Transaction is in the best interests of Steel Connect and its stockholders. The Strategic Planning Committee exclusively negotiated the terms of the Transaction with Steel Partners, with the assistance of its independent legal counsel and financial advisor.

Additional information regarding the securities described above and the terms of the Transaction are included in a Current Report on Form 8-K to be filed with the United States Securities and Exchange Commission ("SEC").

The Preferred Stock, and shares of common stock into which the shares of Preferred Stock are convertible, are being issued in reliance upon the exemption from the securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

Advisors

Houlihan Lokey is serving as the financial advisor to the Strategic Planning Committee of Steel Connect, and Imperial Capital is serving as the financial advisor to Steel Partners. Dentons US LLP is serving as legal counsel to the Strategic Planning Committee and White & Case LLP is serving as legal counsel to Steel Connect. Greenberg Traurig, LLP is serving as legal counsel to Steel Partners.

About Steel Partners Holdings L.P.

Steel Partners Holdings L.P. is a diversified global holding company that owns and operates businesses and has significant interests in leading companies in various industries, including diversified industrial products, energy, defense, supply chain management and logistics, banking and youth sports.

About Steel Connect, Inc.

Steel Connect, Inc. is a holding company whose wholly-owned subsidiary, ModusLink Corporation, serves the supply chain management markets.

Additional Information and Where to Find It

This communication may be deemed to be solicitation material in respect of obtaining approval of the Stockholder Proposal (the "Stockholder Approval"). In connection with obtaining the Stockholder Approval, Steel Connect will file with the SEC and furnish to Steel Connect's stockholders a proxy statement and other relevant documents. This communication does not constitute a solicitation of any vote or approval. BEFORE MAKING ANY VOTING DECISION, STEEL CONNECT'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE STOCKHOLDER APPROVAL OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION.

Investors will be able to obtain a free copy of the proxy statement, when available, and other relevant documents filed by Steel Connect with the SEC at the SEC's website at www.sec.gov. In addition, investors may obtain a free copy of the proxy statement, when available, and other relevant documents from Steel Connect's website at www.steelconnectinc.com or by directing a request to Steel Connect, Inc., Attn: Chief Financial Officer, 590 Madison Avenue, 32nd Floor, New York, New York 10022 or by calling (212) 520-2300.

Participants in the Solicitation

Steel Connect and its directors, executive officers and certain other members of management and employees of Steel Connect may be deemed to be "participants" in the solicitation of proxies from the stockholders of Steel Connect in connection with the Stockholder Approval. Information regarding the interests of the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of Steel Connect in connection with the Stockholder Approval, which may be different than those of Steel Connect's stockholders generally, will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. Stockholders can find information about Steel Connect and its directors and executive officers and their ownership of Steel Connect's Common Stock in Steel Connect's Annual Report on Form 10-K, filed with the SEC on November 9, 2022, and amended on November 28, 2022, and additional information about the ownership of Steel Connect's Common Stock by Steel Connect's directors and executive officers is included in their Forms 3, 4 and 5 filed with the SEC.

Forward-Looking Statements

This communication contains certain forward-looking statements that involve a number of risks and uncertainties. This communication contains forward-looking statements related to Steel Connect, Steel Partners and the Transaction. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors. All statements other than statements of historical fact, including statements containing the words "aim," "anticipate," "are confident," "estimate," "expect," "will be," "will continue," "will likely result," "project," "intend," "plan," "believe" and other words and terms of similar meaning, or the negative of these terms, are statements that could be deemed forward-looking statements. Risks, uncertainties and other factors include, but are not limited to: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the exchange agreement entered into in connection with the Transaction; (ii) the inability to complete the Transaction due to the failure to satisfy the conditions to completion of the Transaction; (iii) the value of the marketable securities being exchanged and the ability of Steel Connect to use such additional capital to satisfy its working capital needs and to implement its strategic objectives or and (iii) the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted against Steel Partners and Steel Connect and others relating to the Transaction. Consider these factors carefully in evaluating the forward-looking statements.

The forward-looking statements included in this press release are made only as of the date of this release, and except as otherwise required by federal securities law, neither Steel Partners nor Steel Connect assume any obligation nor do they intend to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

Contacts
Jennifer Golembeske
212-520-2300