UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended January 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____to _____

Commission file number 0-13200

Astro-Med, Inc.

(Exact name of registrant as specified in its charter)

Rhode Island	**05-0318215**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
600 East Greenwich Avenue, West Warwick, Rhode Island	**02893**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (401) 828-4000

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

Title of each class	**Name of each exchange on which registered**
Common Stock, $.05 Par Value	**NASDAQ Global Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

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

The aggregate market value of the registrant's voting common equity held by non-affiliates at July 31, 2015 was approximately $73,014,000 based on the closing price on the Nasdaq Global Market on that date.

As of March 24, 2016 there were 7,388,048 shares of Common Stock (par value $0.05 per share) of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's definitive Proxy Statement for the 2016 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

ASTRO-MED, INC.

FORM 10-K ANNUAL REPORT

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ASTRO-MED, INC.

Forward-Looking Statements

Information included in this Annual Report on Form 10-K may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, but rather reflect our current expectations concerning future events and results. We generally use the words "believes," "expects," "intends," "plans," "anticipates," "likely," "continues," "may," "will," and similar expressions to identify forward-looking statements. Such forward-looking statements, including those concerning our expectations, involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and factors include, but are not limited to, those factors set forth in this Annual Report on Form 10-K under "Item 1A. Risk Factors." We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The reader is cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Annual Report on Form 10-K.

PART I

Item 1. ***Business***

General

Unless otherwise indicated, references to "Astro-Med," the "Company," "we," "our," and "us" in this Annual Report on Form 10-K refer to Astro-Med, Inc. and its consolidated subsidiaries.

Astro-Med designs, develops, manufactures and distributes a broad range of specialty printers and data acquisition and analysis systems, including both hardware and software, which incorporate advanced technologies in order to acquire, store, analyze, and present data in multiple formats. Target markets for hardware and software products of the Company include aerospace, apparel, automotive, avionics, chemicals, computer peripherals, communications, distribution, food and beverage, general manufacturing, packaging and transportation.

The Company's products are distributed through its own sales force and authorized dealers in the United States. We sell to customers outside of the United States primarily through our branch offices in Canada, Europe and Asia as well as through independent dealers and representatives. Approximately 30% of the Company's sales in fiscal 2016 were to customers located outside the United States.

Astro-Med operates its business through two operating segments, QuickLabel and Astro-Med Test & Measurement (T&M). Financial information by business segment and geographic area appears in Note 14 to our audited consolidated financial statements included elsewhere in this report.

On June 19, 2015, Astro-Med completed the asset purchase of the aerospace printer product line from Rugged Information Technology Equipment Corporation (RITEC) and on January 22, 2014, Astro-Med completed the acquisition of the aerospace printer product line from Miltope Corporation. Astro-Med's aerospace printer product line is part of the T&M product group and is reported as part of the T&M segment. The results of Miltope's aerospace printer product line operations have been included in the consolidated financial statements of the Company for all periods presented. The Company began shipment of the RITEC products in the third quarter of the current fiscal year. Refer to Note 2, "Acquisition," in our audited consolidated financial statements included elsewhere in this report.

On September 25, 2015, the Company announced it would immediately begin doing business as AstroNova on a worldwide basis. The name change is part of the plan to modernize the Company and effectively communicate our strategy. The AstroNova name and brand emphasizes our traditional strengths in aerospace and acknowledges our expanding presence in test & measurement, product identification and other new areas where we can apply our data visualization technology. Astro-Med's aerospace products and T&M business will adopt the AstroNova brand. QuickLabel products will continue to go to market under the QuickLabel brand.

The Company has filed for trademark protection of the AstroNova name and logo in the United States and other countries.

Unless and until the Company formally changes its name, the Company's common stock will continue to trade on the NASDAQ Global Market stock exchange under its name, Astro-Med, Inc., using its present ticker symbol, ALOT.

The following description of our business should be read in conjunction with "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages 16 through 23 of this Annual Report on Form 10-K.

Description of Business

Product Overview

Astro-Med leverages its expertise in data visualization technologies to design, manufacture, and market specialty printing systems, test and measurement systems and related services for select growing markets on a global basis. The business consists of two segments, specialty printing systems and test and measurement systems, sold under the brand names QuickLabel ® and Astro-Med ® Test & Measurement (T&M).

Products sold under the QuickLabel brand are used in industrial and commercial product packaging and automatic identification applications to digitally print custom labels and other visual identification marks on demand. Products sold under the Astro-Med T&M brand acquire and record visual and electronic signal data from local and networked data streams and sensors. The recorded data is processed and analyzed and then stored and presented in various visual output formats. In the aerospace market, the Company has a long history of using its data visualization technologies to provide high-resolution airborne printers.

QuickLabel brand products include digital color label printers and specialty OEM printing systems as well as a full line of consumables including labels, tags, inks, toner, and thermal transfer ribbons. In addition, QuickLabel sells special software used to design labels and other identification marks for a wide variety of applications especially in the field of packaging. QuickLabel provides training and support on a worldwide basis via highly trained service technicians.

In the color label market, QuickLabel offers a broad range of entry-level, mid-range, and high-performance digital label printers, providing customers a continuous path to upgrade to new labeling products. QuickLabel products are primarily sold to manufacturers, processors, and retailers who label products on a short-run basis. Users can benefit from the time and cost-savings of digitally printing their own labels on-demand. Industries that commonly benefit from short-run label printing include apparel, chemicals, cosmetics, food and beverage, medical products, and pharmaceuticals, among many other packaged goods.

Current QuickLabel models include the Kiaro! family of high-speed inkjet color label printers and the QLS-4100 Xe color thermal transfer label printer. QuickLabel also sells and supports its Pronto! family of barcode printers which utilize single color-thermal transfer label printing technology as well as an array of custom designed OEM printers.

Products sold under the Astro-Med T&M brand acquire and record visual and electronic signal data from local and networked data streams and sensors. The recorded data is processed and analyzed and then stored and presented in various visual output formats. The Company supplies a range of products and services that include hardware, software and consumables to customers who are in a variety of industries.

Astro-Med T&M products include the Daxus ® portable data acquisition system, TMX™ high-speed data acquisition system, Dash ® 8HF-HS data recorders, Everest ® telemetry recorders, ToughWriter ® , Miltope-brand and RITEC-brand airborne printers and ToughSwitch ® ruggedized Ethernet switches.

Astro-Med's airborne printers are used in the flight deck and in the cabin of military, commercial and business aircraft to print hard copies of data required for the safe and efficient operation of aircraft including navigation maps, arrival and departure procedures, flight itineraries, weather maps, performance data, passenger

data, and various air traffic control data. ToughSwitch Ethernet switches are used in military aircraft and military vehicles to connect multiple computers or Ethernet devices. The airborne printers and Ethernet switches are ruggedized to comply with rigorous military and commercial flightworthiness standards for operation under extreme environmental conditions. The Company is currently furnishing ToughWriter airborne printers for numerous aircraft made by Airbus, Boeing, Embraer, Bombardier, Lockheed, Gulfstream and others.

The Company's family of portable data recorders is used in research and development (R&D) and maintenance applications in aerospace and defense, energy discovery and production operations, rapid rail, automotive, and a variety of other transportation and industrial applications. The TMX™ data acquisition system is designed for data capture of long-term testing where the ability to monitor high channel counts and view a wide variety of input signals, including time-stamped and synchronized video capture data and audio notation is important.

Everest telemetry recorders are used widely in the aerospace industry to monitor and track space vehicles, aircraft, missiles and other systems in flight.

Technology

The core technologies of Astro-Med are data visualization technologies that relate to (1) acquiring data, (2) conditioning the data, (3) displaying the data on hard copy, monitor or electronic storage media, and (4) analyzing the data.

Patents and Copyrights

Astro-Med holds a number of product patents in the United States and in foreign countries. We rely on a combination of copyright, patent, trademark and trade secret laws in the United States and other jurisdictions to protect our technology and brand name. While we consider our intellectual property to be important to the operation of our business, we do not believe that any existing patent, license, trademark or other intellectual property right is of such importance that its loss or termination would have a material adverse effect on the Company's business taken as a whole.

Manufacturing and Supplies

Astro-Med manufactures most of the products that it designs and sells. Raw materials and supplies are typically available from a wide variety of sources. Astro-Med manufactures most of the sub-assemblies and parts in-house including printed circuit board assemblies, harnesses, machined parts, and general final assembly. Many parts are standard electronic items available from multiple sources. Other parts are designed by us and manufactured by outside vendors. There are a few parts that are sole source, but these parts could be sourced elsewhere with appropriate changes in the design of our product.

Product Development

Astro-Med maintains an active program of product research and development. During fiscal 2016 and 2015, we spent $6,945,000 and $5,802,000, respectively, on Company-sponsored product development. We are committed to continuous product development as essential to our organic growth and expect to continue our focus on research and development efforts in fiscal 2017 and beyond.

Marketing and Competition

The Company competes worldwide in multiple markets. In the specialty printing field, we believe we are a market leader in bench-top color label printing technology and in aerospace printers. In the data acquisition area, we believe that we are one of the leaders in portable high speed data acquisition systems.

We retain a leadership position by virtue of proprietary technology, product reputation, delivery, technical assistance, and service to customers. The number of competitors varies by product line. Our management

believes that we have a market leadership position in many of the markets we serve. Key competitive factors vary among our product lines, but include technology, quality, service and support, distribution network, and breadth of product and service offerings.

Our products are sold by direct field salespersons as well as independent dealers and representatives. In the United States, the Company has factory-trained direct field salespeople located in major cities from coast to coast specializing in either QuickLabel or Astro-Med T&M products. Additionally, we have direct field sales or service centers in Canada, China, France, Germany, Mexico, Southeast Asia and the United Kingdom staffed by our own employees. In the rest of the world, Astro-Med utilizes approximately 90 independent dealers and representatives selling and marketing our products in 64 countries.

No single customer accounted for 10% or more of our net sales in either of the last two fiscal years.

International Sales

In fiscal 2016 and 2015, net sales to customers in various geographic areas outside the United States, primarily in Canada and Western Europe, amounted to $26,342,000 and $26,853,000, respectively.

Order Backlog

Astro-Med's backlog fluctuates regularly. It consists of a blend of orders for end user customers as well as original equipment manufacturer customers. Manufacturing is geared to forecasted demands and applies a rapid turn cycle to meet customer expectations. Accordingly, the amount of order backlog may not indicate future sales trends. Backlog at January 31, 2016 and 2015 was $16,630,000 and $12,061,000, respectively.

Employees

As of January 31, 2016, Astro-Med employed 329 people. We are generally able to satisfy our employment requirements. No employees are represented by a union. We believe that employee relations are good.

Other Information

The Company's business is not seasonal in nature. However, our sales are impacted by the size of certain individual transactions, which can cause fluctuations in sales from quarter to quarter.

Available Information

We make available on our website (www.astronovainc.com) the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the Securities Exchange Commission (SEC). These filings are also accessible on the SEC's website at http://www.sec.gov.

Item 1A. ***Risk Factors***

The following risk factors should be carefully considered in evaluating Astro-Med because such factors may have a significant impact on our business, operating results, liquidity and financial condition. As a result of the risk factors set forth below, actual results could differ materially from those projected in any forward-looking statements. Additional risks and uncertainties not presently known to us, or that we currently consider to be immaterial, may also impact our business operations.

Astro-Med's operating results and financial condition could be harmed if the markets into which we sell our product decline or do not grow as anticipated.

Any decline in our customers' markets or in their general economic conditions would likely result in a reduction in demand for our products. For example, although we have continued to experience measured progress

in fiscal 2016 and 2015, as sales have increased from prior years, we are still affected by the continued global economic uncertainty as some of our customers remain reluctant to make capital equipment purchases or are deferring these purchases to future quarters. Some of our customers are also limiting consumable product purchases to quantities necessary to satisfy immediate needs with no provisions to stock supplies for future use. Also, if our customers' markets decline, we may not be able to collect on outstanding amounts due to us. Such declines could harm our results of operations, financial position and cash flows and could limit our ability to continue to remain profitable.

Astro-Med's future revenue growth depends on our ability to develop and introduce new products and services on a timely basis and achieve market acceptance of these new products and services.

The markets for our products are characterized by rapidly changing technologies and accelerating product introduction cycles. Our future success depends largely upon our ability to address the rapidly changing needs of our customers by developing and supplying high-quality, cost-effective products, product enhancements and services on a timely basis and by keeping pace with technological developments and emerging industry standards. The success of our new products will also depend on our ability to differentiate our offerings from our competitors' offerings, price our products competitively, anticipate our competitors' development of new products, and maintain high levels of product quality and reliability. Astro-Med spends a significant amount of time and effort related to the development of our airborne and color printer products as well as our Test and Measurement data recorder products. Failure to further develop any of our new products and their related markets as anticipated could adversely affect our future revenue growth and operating results.

As Astro-Med introduces new or enhanced products, we must also successfully manage the transition from older products to minimize disruption in customers' ordering patterns, avoid excessive levels of older product inventories and provide sufficient supplies of new products to meet customer demands. The introduction of new or enhanced products may shorten the life cycle of our existing products, or replace sales of some of our current products, thereby offsetting the benefit of even a successful product introduction and may cause customers to defer purchasing existing products in anticipation of the new products. Additionally, when we introduce new or enhanced products, we face numerous risks relating to product transitions, including the inability to accurately forecast demand, manage excess and obsolete inventories, address new or higher product cost structures, and manage different sales and support requirements due to the type or complexity of the new products. Any customer uncertainty regarding the timeline for rolling out new products or Astro-Med's plans for future support of existing products may cause customers to delay purchase decisions or purchase competing products which would adversely affect our business and operating results.

Astro-Med faces significant competition and our failure to compete successfully could adversely affect our results of operations and financial condition.

We operate in an environment of significant competition, driven by rapid technological advances, evolving industry standards, frequent new product introductions and the demands of customers to become more efficient. Our competitors range from large international companies to relatively small firms. We compete on the basis of technology, performance, price, quality, reliability, brand, distribution and customer service and support. Our success in future performance is largely dependent upon our ability to compete successfully in the markets we currently serve and to expand into additional market segments. Additionally, current competitors or new market entrants may develop new products with features that could adversely affect the competitive position of our products. To remain competitive, we must develop new products, services and applications and periodically enhance our existing offerings. If we are unable to compete successfully, we could lose market share and important customers to our competitors which could materially adversely affect our business, results of operations and financial position.

Astro-Med is dependent upon contract manufacturers for some of our products. If these manufacturers do not meet our requirements, either in volume or quality, then we could be materially harmed.

We subcontract the manufacturing and assembly of certain of our products to independent third parties at facilities located in various countries. Relying on subcontractors involves a number of significant risks, including:

- Limited control over the manufacturing process;
- Potential absence of adequate production capacity;
- Potential delays in production lead times;
- Unavailability of certain process technologies; and
- Reduced control over delivery schedules, manufacturing yields, quality and costs.

If one of our significant subcontractors becomes unable or unwilling to continue to manufacture these products in required volumes or fails to meet our quality standards, we will have to identify qualified alternate subcontractors or we will have to take over the manufacturing ourselves in as much as we own the designs, drawings, and bills of material for all our products. Additional qualified subcontractors may not be available, or may not be available on a timely or cost competitive basis. Any interruption in the supply or increase in the cost of the products manufactured by third party subcontractors or failure of a subcontractor to meet quality standards could have a material adverse effect on our business, operating results and financial condition.

For certain components and assembled products, Astro-Med is dependent upon single or limited source suppliers. If these suppliers do not meet demand, either in volume or quality, then we could be materially harmed.

Although we use standard parts and components for our products where possible, we purchase certain components and assembled products used in the manufacture of our products from a single source or limited supplier sources. If the supply of a key component or assembled products were to be delayed or curtailed or, in the event a key manufacturing or sole vendor delays shipment of such components or assembled products, our ability to ship products in desired quantities and in a timely manner would be adversely affected. Our business, results of operations and financial position could also be adversely affected, depending on the time required to obtain sufficient quantities from the original source or, if possible, to identify and obtain sufficient quantities from an alternative source. Additionally, if any single or limited source supplier becomes unable or unwilling to continue to supply these components or assembled products in required volumes, we will have to identify and qualify acceptable replacements or redesign our products with different components. Alternative sources may not be available, or product redesign may not be feasible on a timely basis. Any interruption in the supply of or increase in the cost of the components and assembled products provided by single or limited source suppliers could have a material adverse effect on our business, operating results and financial condition.

Compliance with rules governing "conflict minerals" could adversely affect the availability of certain product components and our costs and results of operations could be materially harmed.

SEC rules require disclosures regarding the use of "conflict minerals" mined from the Democratic Republic of the Congo and adjoining countries necessary to the functionality or production of products manufactured or contracted to be manufactured. We have determined that we use gold, tin and tantalum, each of which are considered "conflict minerals" under the SEC rules, as they occur in electronic components supplied to us in the manufacture of our products. Because of this finding, we are required to conduct inquiries designed to determine whether any of the conflict minerals contained in our products originated or may have originated in the conflict region or come from recycled or scrap sources. There are costs associated with complying with these disclosure requirements, including performing due diligence in regards to the source of any conflict minerals used in our products, in addition to the cost of remediation or other changes to products, processes or services of supplies that may be necessary as a consequence of such verification activities. As we use contract manufacturers for some of our products, we may not be able to sufficiently verify the origins of the relevant minerals used in our products through the due diligence procedures that we implement. We may also encounter challenges to satisfy those customers who require that all of the components of our products be certified as conflict-free, which could place us at a competitive disadvantage if we are unable to do so. As a result, our business, operating results and financial condition could be harmed.

Economic, political and other risks associated with international sales and operations could adversely affect Astro-Med's results of operations and financial position.

Because we sell our products worldwide, our business is subject to risks associated with doing business internationally. Revenue from international operations, which includes both direct and indirect sales to customers outside the U.S., accounted for approximately 30% of our total revenue for fiscal year 2016 and we anticipate that international sales will continue to account for a significant portion of our revenue. In addition, we have employees, suppliers, job functions and facilities located outside the U.S. Accordingly, our business, operating results and financial condition could be harmed by a variety of factors, including:

- Interruption to transportation flows for delivery of parts to us and finished goods to our customers;
- Customer and vendor financial stability;
- Fluctuations in foreign currency exchange rates;
- Changes in a specific country's or region's environment including political, economic, monetary, regulatory or other conditions;
- Trade protection measures and import or export licensing requirements;
- Negative consequences from changes in tax laws;
- Difficulty in managing and overseeing operations that are distant and remote from corporate headquarters;
- Difficulty in obtaining and maintaining adequate staffing;
- Differing labor regulations;
- Differing protection of intellectual property;
- Unexpected changes in regulatory requirements; and
- Geopolitical turmoil, including terrorism and war.

Astro-Med's profitability is dependent upon our ability to obtain adequate pricing for our products and to control our cost structure.

Our success depends on our ability to obtain adequate pricing for our products and services which provides a reasonable return to our shareholders. Depending on competitive market factors, future prices we obtain for our products and services may decline from previous levels. In addition, pricing actions to offset the effect of currency devaluations may not prove sufficient to offset further devaluations or may not hold in the face of customer resistance and/or competition. If we are unable to obtain adequate pricing for our products and services, our results of operations and financial position could be materially adversely affected.

We are continually reviewing our operations with a view towards reducing our cost structure, including but not limited to downsizing our employee base, exiting certain businesses, improving process and system efficiencies and outsourcing some internal functions. From time to time we also engage in restructuring actions to reduce our cost structure. If we are unable to maintain process and systems changes resulting from cost reduction and prior restructuring actions, our results of operations and financial position could be materially adversely affected.

Astro-Med could incur liabilities as a result of installed product failures due to design or manufacturing defects.

Astro-Med has incurred and could incur additional liabilities as a result of installed product failures due to design or manufacturing defects. Our products may have defects despite testing internally or by current or potential customers. These defects could result in among other things, a delay in recognition of sales, loss of sales, loss of market share, failure to achieve market acceptance or substantial damage to our reputation. We could be subject to material claims by customers, and may incur substantial expenses to correct any product defects.

In addition, through our acquisitions, we have assumed, and may in the future assume, liabilities related to products previously developed by an acquired company that have not been through the same level of product development, testing and quality control processes used by us, and may have known or undetected errors. Some types of errors may not be detected until the product is installed in a user environment. This may cause Astro-Med to incur significant warranty and repair or re-engineering costs, may divert the attention of engineering personnel from product development efforts, and may cause significant customer relations problems such as reputational problems with customers resulting in increased costs and lower profitability.

Astro-Med could experience disruptions in, or breach in security of our information technology system or fail to implement new systems or software successfully which could harm our business and adversely affect our results of operations.

Astro-Med employs information technology systems to support our business. During the first quarter of fiscal 2016, Astro-Med completed the upgrade of its Enterprise Resource Planning (ERP) system to the Oracle JD Edwards EnterpriseOne platform. This new system went live in March 2015 for all of our U.S. operations. Any security breaches or other disruptions to our information technology infrastructure could interfere with operations, compromise our information and that of our customers and suppliers, and expose us to liability which could adversely impact our business and reputation. In the ordinary course of business, we rely on information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. We also collect and store certain data, including proprietary business information, and may have access to confidential or personal information that is subject to privacy and security laws, regulations and customer-imposed controls. While we continually work to safeguard our systems and mitigate potential risks, there is no assurance that such actions will be sufficient to prevent cyber attacks or security breaches and our information technology networks and infrastructure may still be vulnerable to damage, disruptions or shutdowns due to attack by hackers or breaches, employee error, power outages, computer viruses, telecommunication or utility failures, systems failures, natural disasters, catastrophic events or other unforeseen events. While we have experienced, and expect to continue to experience, these types of threats to our information technology networks and infrastructure, none of them to date has had a material impact. Any such events could result in legal claims or proceedings, liability or penalties under privacy laws, disruption in operations, and damage to the Company's reputation, which could adversely affect our business, operating results and financial condition.

Astro-Med is subject to laws and regulations; failure to address or comply with these laws and regulations could harm our business and adversely affect our results of operations.

Our operations are subject to laws, rules, regulations, including environmental regulations, government policies and other requirements in each of the jurisdictions in which we conduct business. Changes in laws, rules, regulations, policies or requirements could result in the need to modify our products and could affect the demand for our products, which may have an adverse impact on our future operating results. In addition, we must comply with regulations restricting our ability to include lead and certain other substances in our products. If we do not comply with applicable laws, rules and regulations we could be subject to costs and liabilities and our business may be adversely impacted.

Certain of our products require certifications by regulators or standards organizations, and our failure to obtain or maintain such certifications could negatively impact our business.

In certain industries and for certain products, such as those used in aircraft, we must obtain certifications for our products by regulators or standards organizations. If we fail to obtain required certifications for our products, or if we fail to maintain such certifications on our products after they have been certified, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Our operations are subject to anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, and any determination that the Company or any of its subsidiaries has violated the Foreign Corrupt Practices Act could have a material adverse effect on our business.

The U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials and others for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws. We operate in parts of the world that have experienced governmental corruption to some degree, and in certain circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, there can be no assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by those of our employees or agents who violate our policies.

Certain of our operations and products are subject to environmental, health and safety laws and regulations, which may result in substantial compliance costs or otherwise adversely affect our business.

Our operations are subject to numerous federal, state, local and foreign laws and regulations relating to protection of the environment, including those that impose limitations on the discharge of pollutants into the air and water, establish standards for the use, treatment, storage and disposal of solid and hazardous materials and wastes, and govern the cleanup of contaminated sites. We have used and continue to use various substances in our products and manufacturing operations, and have generated and continue to generate wastes, which have been or may be deemed to be hazardous or dangerous. As such, our business is subject to and may be materially and adversely affected by compliance obligations and other liabilities under environmental, health and safety laws and regulations. These laws and regulations affect ongoing operations and require capital costs and operating expenditures in order to achieve and maintain compliance.

Adverse conditions in the global banking industry and credit markets may adversely impact the value of our investments or impair our liquidity.

At the end of fiscal 2016, we had approximately $20 million of cash, cash equivalents and investments held for sale. Our cash and cash equivalents are held in a mix of money market funds and bank demand deposit accounts. Disruptions in the financial markets may, in some cases, result in an inability to access assets such as money market funds that traditionally have been viewed as highly liquid. Any failure of our counterparty financial institutions or funds in which we have invested may adversely impact our cash and cash equivalent positions and, in turn, our financial position. Our investment portfolio consists of state and municipal securities with various maturity dates, all of which have a credit rating of AA or above at the original purchase date; however, defaults by the issuers of any of these securities may result in an adverse impact on our portfolio.

Astro-Med may not realize the anticipated benefits of past or future acquisitions, divestitures and strategic partnerships, and integration of acquired companies or divestiture of businesses may negatively impact Astro-Med's overall business.

Astro-Med has acquired or made strategic investments in other companies, products and technologies, including our most recent acquisition in June 2015 of the aerospace printer business from RITEC. We may continue to identify and pursue acquisitions of complementary companies and strategic assets, such as customer bases, products and technology. However, there can be no assurance that we will be able to identify suitable acquisition opportunities. In any acquisition that we complete we cannot be certain that:

- We will successfully integrate the operations of the acquired business with our own;
- All the benefits expected from such integration will be realized;
- Management's attention will not be diverted or divided, to the detriment of current operations;

- Amortization of acquired intangible assets or possible impairment of acquired intangibles will not have a negative effect on operating results or other aspects of our business;
- Delays or unexpected costs related to the acquisition will not have a detrimental effect on our business, operating results and financial condition;
- Customer dissatisfaction with, or performance problems at, an acquired company will not have an adverse effect on our reputation; and
- Respective operations, management and personnel will be compatible.

In certain instances as permitted by applicable law and NASDAQ rules, acquisitions may be consummated without seeking and obtaining shareholder approval, in which case shareholders will not have an opportunity to consider and vote upon the merits of such an acquisition. Although we will endeavor to evaluate the risks inherent in a particular acquisition, there can be no assurance that we will properly ascertain or assess such risks.

Astro-Med may also divest certain businesses from time to time. Divestitures will likely involve risks, such as difficulty splitting up businesses, distracting employees, potential loss of revenue and negatively impacting margins, and potentially disrupting customer relationships. A successful divestiture depends on various factors, including our ability to:

- Effectively transfer assets, liabilities, contracts, facilities and employees to the purchaser;
- Identify and separate the intellectual property to be divested from the intellectual property that we wish to keep; and
- Reduce fixed costs previously associated with the divested assets or business.

All of these efforts require varying levels of management resources, which may divert our attention from other business operations. Further, if market conditions or other factors lead us to change our strategic direction, we may not realize the expected value from such transactions.

If Astro-Med is not able to successfully integrate or divest businesses, products, technologies or personnel that we acquire or divest, or able to realize expected benefits of our acquisitions, divestitures or strategic partnerships, Astro-Med's business, results of operations and financial condition could be adversely affected.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

The following table sets forth information regarding the Company's principal owned properties, all of which are included in the consolidated balance sheet appearing elsewhere in this annual report.

Location	Approximate Square Footage	Principal Use
West Warwick, Rhode Island, USA	135,500	Corporate headquarters, research and development, manufacturing, sales and service
Slough, England	1,700	Sales and service

Astro-Med also leases facilities in various other locations. The following information pertains to each location:

Location	Approximate Square Footage	Principal Use
Rodgau, Germany	8,300	Manufacturing, sales and service
Brossard, Quebec, Canada	4,500	Manufacturing, sales and service
Elancourt, France	4,150	Sales and service
Schaumburg, Illinois, USA	630	Sales
Wilmington, Delaware, USA	500	Sales
El Dorado Hills, California, USA	275	Sales
Newport Beach, California, USA	150	Sales
Monterrey, Mexico	100	Sales

We believe our facilities are well maintained, in good operating condition and generally adequate to meet our needs for the foreseeable future.

Item 3. ***Legal Proceedings***

There are no pending or threatened legal proceedings against the Company believed to be material to the financial position or results of operations of the Company.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for the Registrant's Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Astro-Med's common stock trades on the NASDAQ Global Market under the symbol "ALOT." The following table sets forth the range of high and low sales prices and dividend data, as furnished by NASDAQ, for each quarter in the years ended January 31:

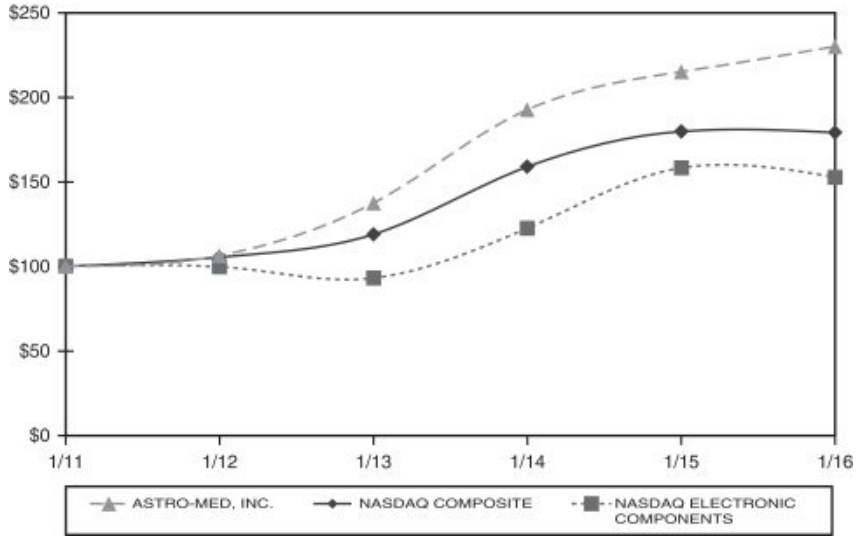
	High	Low	Dividends Per Share
2016			
First Quarter	$ 15.15	$ 12.43	$ 0.07
Second Quarter	$ 15.20	$ 13.66	$ 0.07
Third Quarter	$ 14.25	$ 12.00	$ 0.07
Fourth Quarter	$ 15.94	$ 12.68	$ 0.07
2015			
First Quarter	$ 14.40	$ 11.25	$ 0.07
Second Quarter	$ 14.53	$ 12.36	$ 0.07
Third Quarter	$ 14.11	$ 12.02	$ 0.07
Fourth Quarter	$ 16.50	$ 13.11	$ 0.07

Astro-Med had approximately 282 shareholders of record as of March 24, 2016, which does not reflect shareholders with beneficial ownership in shares held in nominee name.

Stock Performance Graph

The graph below shows a comparison of the cumulative total return on the Company's common stock against the cumulative total returns for the NASDAQ Composite Index and the NASDAQ Electronic Components Index for the period of five fiscal years ended January 31, 2016. The NASDAQ Total Return Composite Index is calculated using all companies trading on the NASDAQ Global Select, NASDAQ Global Market and the NASDAQ Capital Markets. The Index is weighted by the current shares outstanding and assumes dividends are reinvested. The NASDAQ Electronic Components Index, designated as the Company's peer group index, is comprised of companies classified as electronic equipment manufacturers.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Astro-Med, Inc., the NASDAQ Composite Index
and the NASDAQ Electronic Components Index



	Cumulative Total Returns*					
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Astro-Med, Inc.	$ 100.00	$ 106.42	$ 137.63	$ 192.62	$ 215.03	$ 230.23
NASDAQ Composite	$ 100.00	$ 105.49	$ 119.12	$ 158.83	$ 179.91	$ 179.03
NASDAQ Electronic Components	$ 100.00	$ 99.86	$ 93.05	$ 122.63	$ 158.22	$ 152.69

* $100 invested on 1/31/11 in stock or index, including reinvestment of dividends.
Fiscalyear ending January 31.

Dividend Policy

Astro-Med began a program of paying quarterly cash dividends in fiscal 1992 and has paid a dividend for 98 consecutive quarters. During fiscal 2016 and 2015, we paid a dividend of $0.07 per share in each quarter and anticipate that we will continue to pay comparable cash dividends on a quarterly basis.

Stock Repurchases

Pursuant to an authorization approved by Astro-Med's Board of Directors in August 2011, the Company is currently authorized to repurchase up to 390,000 shares of common stock. This is an ongoing authorization without any expiration date.

During the fourth quarter of fiscal 2016, the Company made the following repurchases of its common stock:

	Total Number of Shares Repurchased	Average Price paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Be Purchased Under The Plans or Programs
November 1—November 28	—	—	—	390,000
November 29—December 26	—	—	—	390,000
December 27—January 31	25,886(a)	$ 14.03(a)	—	390,000

(a) During January 2016, employees of the Company delivered 25,886 shares of the Company's common stock to satisfy the exercise price for 35,938 stock options exercised. The shares delivered were valued at an average market value of $14.03 per share and are included with treasury stock in the consolidated balance sheet. This transaction did not impact the number of shares authorized for repurchase under the Company's current repurchase program.

Item 6. ***Selected Financial Data***

We are a "smaller reporting company" and, as such, are not required to provide this information.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Overview

Astro-Med is a multi-national enterprise that leverages its proprietary data visualization technologies to design, develop, manufacture, distribute and service a broad range of products that acquire, store, analyze and present data in multiple formats. The Company organizes its structure around a core set of competencies, including research and development, manufacturing, service, marketing and distribution. It markets and sells its products and services through the following two sales product groups:

- QuickLabel Product Group– offers product identification and label printer hardware, software, servicing contracts, and consumable products.
- Test and Measurement Product Group (T&M)– offers a suite of products and services that acquire and record visual and electronic signal data from local and networked data stream and sensors as well as wired and wireless networks. The recorded data is processed and analyzed and then stored and presented in various visual output formats. The T&M segment also includes a line of aerospace printers that are used to print hard copies of data required for the safe and efficient operation of aircraft including navigation maps, arrival and departure procedures, flight itineraries, weather maps, performance data, passenger data, and various air traffic control data. Aerospace products also include Ethernet switches which are used in military aircraft and military vehicles to connect multiple computers or Ethernet devices.

Astro-Med markets and sells its products and services globally through a diverse distribution structure of direct sales personnel, manufacturers' representatives and authorized dealers that deliver a full complement of branded products and services to customers in our respective markets. Our growth strategy centers on organic growth through product innovation made possible by research and development initiatives, as well as strategic acquisitions that fit into existing core businesses. Research and development activities were funded and expensed by the Company at approximately 7.3% of annual sales for fiscal 2016. We also continue to invest in sales and marketing initiatives by expanding the existing sales force and using various marketing campaigns to achieve our goals of sales growth and increased profitability notwithstanding today's challenging economic environment.

On June 19, 2015, Astro-Med completed the asset purchase of the aerospace printer product line from RITEC. Astro-Med's aerospace printer product line is part of the T&M product group and is reported as part of the T&M segment. The Company began shipment of the RITEC products in the third quarter of the current fiscal year. Refer to Note 2, "Acquisition," in the audited consolidated financial statements included elsewhere in this report.

On September 25, 2015, the Company announced it would immediately begin doing business as AstroNova on a worldwide basis. The name change is part of the plan to modernize the Company and effectively communicate our strategy. The AstroNova name and brand emphasizes our traditional strengths in aerospace and acknowledges our expanding presence in Test & Measurement, product identification and other new areas where we can apply our data visualization technology. Astro-Med's aerospace products and Test & Measurement business will adopt the AstroNova brand. QuickLabel products will continue to go to market under the QuickLabel brand.

Results of Operations

The following table presents the net sales of each of the Company's segments, as well as the percentage of total sales and change from prior year.

($ in thousands)	2016			2015	
	Net Sales	As a % of Total Net Sales	% Change Over Prior Year	Net Sales	As a % of Total Net Sales
QuickLabel	$67,127	70.9%	12.3%	$59,779	67.7%
T&M	27,531	29.1%	(3.6)%	28,568	32.3%
Total	$94,658	100.0%	7.1%	$88,347	100.0%

Fiscal 2016 compared to Fiscal 2015

Astro-Med's net sales in fiscal 2016 were $94,658,000, a 7.1% increase as compared to prior year sales of $88,347,000. Domestic sales of $68,316,000 increased 11.1% from the prior year sales of $61,494,000. International sales of $26,342,000 reflect a 1.9% decrease as compared to prior year sales of $26,853,000. The current year's international sales include an unfavorable foreign exchange rate impact of $3,022,000.

Hardware sales in fiscal 2016 were $34,824,000, a 10.0% decrease compared to prior year's sales of $38,685,000. Hardware sales in both the T&M and QuickLabel segments contributed to the lower volume of hardware shipments. Current year T&M hardware sales decreased 8.9% as compared to the prior year attributable to the decline in sales of aerospace printers, as many customers are deferring the shipments of orders to later periods, and the decline in data recorder sales due to the Company's delay in the release of a new product. QuickLabel hardware sales declined 11.9% as compared to the prior year, primarily as a result of lower OEM monochrome and other color printer sales. These declines in hardware sales were slightly offset by increases in sales of T&M's data acquisition product line, as well as an increase in sales of the Kiaro! series printers in the QuickLabel product group.

Consumable sales in fiscal 2016 were $51,764,000, representing an 18.8% increase as compared to prior year sales of $43,568,000. The increase in consumable sales for the current fiscal year was primarily attributable to the double-digit increase in both digital color printer supplies and label and tag product sales in the QuickLabel segment. The increase in consumable product sales for the current year for QuickLabel's Kiaro! related products also made a contribution to the overall increase in consumable sales for the current year.

Service and other sales revenue in fiscal 2016 were $8,070,000, a 32.4% increase compared to prior year revenue of $6,094,000 and was primarily due to increases in repairs and parts revenue related to the T&M suite of products.

The Company achieved gross profit of $38,158,000 for fiscal 2016, reflecting a 3.2% improvement as compared to prior year's gross profit of $36,977,000. However, the Company's gross profit margin of 40.3% in the current year reflects a decrease from the prior year's gross profit margin of 41.9%. The higher gross profit for the current year as compared to the prior year is primarily attributable to increased sales, while the current year's decrease in gross margin percentage is due to product mix, higher manufacturing costs and lower factory absorption.

Operating expenses for the current year were $32,224,000, representing an 8.3% increase from prior year's operating expenses of $29,746,000. Selling and marketing expenses remained relatively flat from prior year at

$18,249,000 in fiscal 2016, representing 19.3% of sales, compared to $18,289,000 or 20.7% of sales in the prior year. However, general and administrative (G&A) expenses increased by 24.3% from prior year to $7,030,000 in fiscal 2016 primarily due to an increase in stock-based compensation expense, as well as professional fees related to both the Company's name change and branding initiative as well as the costs associated with the acquisition of the RITEC business. Research & development (R&D) in fiscal 2016 has increased 19.7% to $6,945,000. The increase in R&D for fiscal 2016 is primarily due to an increase in outside service costs related to the development of new products as well as RITEC transitional R&D costs. The R&D spending level for fiscal 2016 represents 7.3% of net sales, an increase as compared to prior year's level of 6.6%.

Other income in fiscal 2016 was $975,000 compared to other expense of $299,000 in the prior year. In addition to interest income, the current year other income includes $248,000 of income recognized from a settlement in an escrow account related to our 2014 acquisition of the aerospace printer line from the Miltope Corporation. Other expense in fiscal 2015 included a $251,000 write down on the disposition of inventory related to the conclusion and settlement of the transition services agreement entered into in connection with the 2013 sale of our Grass Technologies Product Group.

During fiscal 2016 the Company recognized a $2,384,000 income tax expense and had an effective tax rate of 34.5%. Included in current year income tax expense is a $135,000 benefit related to the statute of limitations expiring on a previously uncertain tax position and a $22,000 tax expense due to the change in estimate relating to prior year's federal taxes. This compares to an income tax expense of $2,270,000 in fiscal 2015 and related effective tax rate of 32.7%. The effective tax rate for fiscal 2015 was primarily impacted by the domestic production deduction, research and development credits and foreign tax credits.

Net income for fiscal 2016 was $4,525,000, providing a return of 4.8% on sales and generating an EPS of $0.61 per diluted share and includes (a) an after-tax expense of $181,000, equal to $0.02 per diluted share, related to the Company's rebranding initiatives; (b) an after-tax expense of $663,000, equal to $0.09 per diluted share, related to non-recurring costs associated with the RITEC acquisition and transition; and (c) an after-tax expense of $357,000, equal to $0.05 per diluted share, related to the 2016 Long-Term Incentive Plan Share Based Compensation. On a comparable basis, net income for fiscal 2015 was $4,662,000, providing a return of 5.3% on sales and generating an EPS of $0.60 per diluted share and includes (a) an after-tax expense of $147,000, equal to $0.02 per diluted share, related to the write-down to market value of the Company's former Rockland facility; (b) an after-tax expense of $68,000, equal to $0.01 per diluted share, related to costs associated with the repurchase of the Company's common stock from the estate of the Company's founder and former chief executive officer, and (c) and after-tax expense of $168,000 or $0.02 per diluted share related to a write down of inventory in connection with the sale of our former Grass Technologies Product Group.

Segment Analysis

Astro-Med reports two segments consistent with its sales product groups: QuickLabel and Test & Measurement (T&M). Segment performance is evaluated based on the operating segment's profit before corporate and financial administration expenses.

The following table summarizes selected financial information by segment.

($ in thousands)	Net Sales		Segment Operating Profit		Segment Operating Profit as a % of Net Sales	
	2016	2015	2016	2015	2016	2015
QuickLabel	$ 67,127	$ 59,779	$ 9,300	$ 7,259	13.9%	12.1%
T&M	27,531	28,568	3,664	5,627	13.3%	19.7%
Total	$ 94,658	$ 88,347	12,964	12,886	13.7%	14.6%
Corporate Expenses			7,030	5,655		
Operating Income			5,934	7,231		
Other Income (Expense), Net			975	(299)		
Income Before Income Taxes			6,909	6,932		
Income Tax Provision			2,384	2,270		
Net Income			$ 4,525	$ 4,662		

QuickLabel

Sales revenues from the QuickLabel product group increased 12.3% in fiscal 2016 with sales of $67,127,000 compared to sales of $59,779,000 in the prior year. The current year's sales reflected the continued growth from QuickLabel's consumable products line which posted a 19.5% growth rate over the prior year due to the strong demand for label and tag products as well as digital color printer ink supplies products for the new Kiaro! printers. QuickLabel's current year's segment operating profit was $9,300,000, reflecting a profit margin of 13.9%, a 28.1% increase from prior year's segment profit of $7,259,000 and related profit margin of 12.1%. The increase in QuickLabel's current year segment operating profit and related margin is due to higher sales and product mix.

Test & Measurement

Sales revenues from the T&M product group were $27,531,000 for fiscal 2016, a 3.6% decrease as compared to sales of $28,568,000 in the prior year. The decrease is primarily attributable to the decline in sales of aerospace printers due to certain aerospace customers deferring shipments to later dates. However, sales growth in the data acquisition product line, as well as increases in parts and repairs revenue during the year slightly tempered the lower sales volume. T&M's segment operating profit for the current fiscal year was $3,664,000 which resulted in a 13.3% profit margin as compared to the prior year's segment operating profit of $5,627,000 and related operating margin of 19.7%. The lower segment operating profit and related margin were due to product mix and higher manufacturing and operating costs associated with the RITEC transaction.

Liquidity and Capital Resources

The Company expects to finance its future working capital needs, capital expenditures and acquisition requirements through internal funds and believes that cash provided by operations will be sufficient to meet our operating and capital needs for at least the next twelve months. To the extent our capital and liquidity requirements are not satisfied internally, we may utilize a $10.0 million revolving bank line of credit. Borrowings made under this line of credit bear interest at either a fluctuating base rate equal to the highest of (i) the Prime Rate, (ii) 1.50% above the daily one-month LIBOR, and (iii) the Federal Funds Rate in effect plus 1.50%; or at a fixed rate of LIBOR plus an agreed upon margin of between 0% and 2.25%, based on the Company's funded debt to EBITDA ratio as defined in the agreement. See Note 7, "Line of Credit," in our audited consolidated financial statements included elsewhere in this report. As of the filing date of this Annual Report on Form 10-K, there have been no borrowings against this line of credit and the entire line is currently available.

Astro-Med's statements of cash flows for the years ended January 31, 2016 and 2015 are included on page 37. Net cash provided by operating activities was $7,727,000 in the current year compared to net cash provided by operating activities of $1,491,000 in the previous year. The increase in net cash from operations for the current year is primarily related to increased net sales and lower working capital requirements for the current year, as well as the current year's increase in the non-cash expense for share-based compensation. Also contributing to the increase in operating cash for the current year as compared to the prior year were the prior year tax payments made in connection with the gain on the sale of Grass. The combination of accounts receivable, inventory and accounts payable and accrued expenses decreased cash by $534,000 in fiscal 2016, compared to a decrease of $2,335,000 in fiscal 2015, with the year-over-year improvement related to lower receivable and inventory turns, offset slightly by increased sales and purchasing volume. The accounts receivable collection cycle decreased to 50 days sales outstanding at January 31, 2016 compared to 52 days outstanding at the prior year end. Inventory days on hand decreased to 92 days at the end of the current fiscal year from 106 days at the prior year end.

Net cash used by investing activities for fiscal 2016 was $3,542,000, which includes $9,978,000 of proceeds from the sales and maturities of securities available for sale, which was partially offset by $5,192,000 of cash used to purchase securities available for sale, and $7,360,000 of cash used to purchase the RITEC aerospace printer business. Cash used for investing activities for fiscal 2016 also included cash used for capital expenditures of $3,061,000, consisting of $947,000 for land and building improvements; $657,000 for information technology primarily related to the purchase and implementation of the Company's new Enterprise Resource Planning system; $663,000 for machinery and equipment; $561,000 for tools and dies; and $233,000 for furniture, fixtures and other capital expenditures.

Included in net cash used in financing activities for fiscal 2016 were dividends paid of $2,048,000. Dividends paid in fiscal 2015 were $2,128,000. The Company's annual dividend per share was $0.28 in both fiscal 2016 and fiscal 2015. The Company did not repurchase any shares of its common stock in fiscal 2016. In fiscal 2015, the Company repurchased 500,000 shares of its common stock at a per share price of $12.50, for an aggregate repurchase price of $6,250,000. The purchase of these shares was from the estate of the former founder and chief executive officer of the Company and did not impact the shares available as part of the Company's stock buyback program. At January 31, 2016, the Company's Board of Directors has authorized the purchase of an additional 390,000 shares of the Company's common stock in the future.

Contractual Obligations, Commitments and Contingencies

Astro-Med is subject to contingencies, including legal proceedings and claims arising out of its businesses that cover a wide range of matters, such as: contract and employment claims; workers compensation claims; product liability claims; warranty claims; and claims related to modification, adjustment or replacement of component parts of units sold. While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits, we believe that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on our consolidated financial position or results of operations. It is possible, however, that results of operations for any particular future period could be materially affected by changes in our assumptions or strategies related to these contingencies or changes out of the Company's control.

Critical Accounting Policies and Estimates

Astro-Med's discussion and analysis of financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Certain of our accounting policies require the application of judgment in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. We periodically evaluate the judgments and estimates used for our critical accounting policies to ensure that such judgments and estimates are reasonable for our interim and year-end reporting requirements. These judgments and estimates are based on the Company's

historical experience, current trends and information available from other sources, as appropriate. If different conditions result from those assumptions used in our judgments, the results could be materially different from our estimates. We believe the following critical accounting policies require significant judgments and estimates in the preparation of our consolidated financial statements:

Revenue Recognition : Our product sales are recognized when all of the following criteria have been met: persuasive evidence of an arrangement exists; price to the buyer is fixed or determinable; delivery has occurred and legal title and risk of loss have passed to the customer; and collectability is reasonably assured. When other significant obligations remain after products are delivered, revenue is recognized only after such obligations are fulfilled. Returns and customer credits are infrequent and are recorded as a reduction to sales. Rights of return are not included in sales arrangements. Revenue associated with products that contain specific customer acceptance criteria is not recognized before the customer acceptance criteria are satisfied. When a sale arrangement involves training or installation, the deliverables in the arrangement are evaluated to determine whether they represent multiple element arrangements. This evaluation occurs at inception of the arrangement and as each item in the arrangement is delivered. The total fee from the arrangement is allocated to each unit of accounting based on its relative fair value. Fair value for each element is established generally based on the sales price charged when the same or similar element is sold separately. We allocate revenue to each element in our multiple-element arrangements based upon their relative selling prices. We determine the selling price for each deliverable based on a selling price hierarchy. The selling price for a deliverable is based on our vendor specific objective evidence (VSOE) if available, third-party evidence (TPE) if VSOE is not available, or estimated selling price (ESP) if neither VSOE nor TPE is available. Revenue allocated to each element is then recognized when the basic revenue recognition criteria for that element have been met. The amount of product revenue recognized is affected by our judgments as to whether an arrangement includes multiple elements.

Astro-Med recognizes revenue for non-recurring engineering (NRE) fees, as necessary, for product modification orders upon completion of agreed-upon milestones. Revenue is deferred for any amounts received prior to completion of milestones. Certain of our NRE arrangements include formal customer acceptance provisions. In such cases, we determine whether we have obtained customer acceptance for the specific milestone before recognizing revenue.

Infrequently, the Company receives requests from customers to hold product being purchased from us for the customers' convenience. We recognize revenue for such bill and hold arrangements provided the transaction meets the following criteria: a valid business purpose for the arrangement exists; risk of ownership of the purchased product has transferred to the buyer; there is a fixed delivery date that is reasonable and consistent with the buyer's business purpose; the product is ready for shipment; the payment terms are customary; we have no continuing performance obligation in regards to the product; and the product has been segregated from our inventories.

The majority of our equipment contains embedded operating systems and data management software which is included in the purchase price of the equipment. The software is deemed incidental to the systems as a whole as it is not sold separately or marketed separately and its production costs are minor as compared to those of the hardware system. Therefore, the Company's hardware appliances are considered non-software elements and are not subject to the industry-specific software revenue recognition guidance.

Warranty Claims and Bad Debts: Provisions for the estimated costs for future product warranty claims and bad debts are recorded in cost of sales and general and administrative expense, respectively. The amounts recorded are generally based upon historically derived percentages while also factoring in any new business conditions that might impact the historical analysis such as new product introduction for warranty and bankruptcies of particular customers for bad debts. We also periodically evaluate the adequacy of our reserves for warranty and bad debts recorded in our consolidated balance sheet as a further test to ensure the adequacy of the recorded provisions. Warranty and bad debt analysis often involves subjective analysis of a particular customer's ability to pay. As a result, significant judgment is required in determining the appropriate amounts to record and such judgments may prove to be incorrect in the future. We believe that our procedures for estimating such amounts are reasonable and historically have not resulted in material adjustments in subsequent periods when the estimates are adjusted to the actual amounts.

Inventories: Inventories are stated at the lower of cost (first-in, first-out) or market. The Company records provisions to write-down obsolete and excess inventory to its estimated net realizable value. The process for evaluating obsolete and excess inventory consists of analyzing the inventory supply on hand and estimating the net realizable value of the inventory based on historical experience, current business conditions and anticipated future sales. We believe that our procedures for estimating such amounts are reasonable and historically have not resulted in material adjustments in subsequent periods when the estimates are adjusted to actual experience.

Income Taxes: A valuation allowance is established when it is "more-likely-than-not" that all or a portion of deferred tax assets will not be realized. A review of all available positive and negative evidence must be considered, including our performance, the market environment in which we operate, length of carryforward periods, existing sales backlog and future sales projections. If actual factors and conditions differ materially from the estimates made by management, the actual realization of the net deferred tax assets or liabilities could vary materially from the amounts previously recorded. At January 31, 2016, the Company has provided valuation allowances for future state tax benefits resulting from certain R&D tax credits which could expire unused.

The calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions. Although guidance on the accounting for uncertain income taxes prescribes the use of a recognition and measurement model, the determination of whether an uncertain tax position has met those thresholds will continue to require significant judgment by management. If the ultimate resolution of tax uncertainties is different from what we have estimated, our income tax expense could be materially impacted.

Intangible and Long-Lived Assets: Long-lived assets, such as definite-lived intangible assets and property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the projected undiscounted cash flows are less than the carrying value, then an impairment charge would be recorded for the excess of the carrying value over the fair value, which is determined by the discounting of future cash flows.

Assets Held for Sale: Assets held for sale are reported at the lower of cost or fair value. Cost to sell are accrued separately. Assets held for sale are subject to an impairment assessment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of impairment is the difference between the carrying amount and the fair value of the asset, less costs to sell.

Goodwill: Management evaluates the recoverability of goodwill annually or more frequently if events or changes in circumstances, such as declines in sales, earnings or cash flows, or material adverse changes in the business climate, indicate that the carrying value of an asset might be impaired. Goodwill is first qualitatively assessed to determine whether further impairment testing is necessary. Factors that management considers in this assessment include macroeconomic conditions, industry and market considerations, overall financial performance (both current and projected), changes in management and strategy and changes in the composition or carrying amount of net assets. If this qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a two step process is then performed. Step one compares the fair value of the reporting unit with its carrying value, including goodwill. If the carrying amount exceeds the fair value of the reporting unit, step two is required to determine if there is an impairment of the goodwill. Step two compares the implied fair value of the reporting unit goodwill to the carrying amount of the goodwill. We estimate the fair value of our reporting units using the income approach based upon a discounted cash flow model. We believe that this approach is appropriate because it provides a fair value estimate based upon the reporting unit's expected long term operating cash flow performance. In addition, we use the market approach, which compares the reporting unit to publicly-traded companies and transactions involving similar businesses, to support the conclusions based upon the income approach. The income approach requires the use of many assumptions and estimates including future revenue, expenses, capital expenditures, and working capital, as well as discount factors and income tax rates.

Share-Based Compensation: Share-based compensation expense is measured based on the estimated fair value of the share-based award when granted and is recognized as an expense over the requisite service period (generally the vesting period of the equity grant). We have estimated the fair value of each option on the date of grant using the Black-Scholes option-pricing model. Our estimate of share-based compensation requires a number of complex and subjective assumptions including our stock price volatility, employee exercise patterns (expected life of the options), the risk-free interest rate and the Company's dividend yield. The stock price volatility assumption is based on the historical weekly price data of our common stock over a period equivalent to the weighted-average expected life of our options. Management evaluated whether there were factors during that period which were unusual and would distort the volatility figure if used to estimate future volatility and concluded that there were no such factors. In determining the expected life of the option grants, the Company has observed the actual terms of prior grants with similar characteristics and the actual vesting schedule of the grants and assessed the expected risk tolerance of different option groups. The risk-free interest rate used in the model is based on the actual U.S. Treasury zero coupon rates for bonds matching the expected term of the option as of the option grant date. The dividend assumption is based upon the prior year's average dividend yield. No compensation expense is recognized for options that are forfeited for which the employee does not render the requisite service. Our accounting for share-based compensation for restricted stock awards (RSA) and restricted stock units (RSU) is also based on the fair value method. The fair value of the RSUs and RSAs is based on the closing market price of the Company's common stock on the grant date of the applicable RSU or RSA.

Recent Accounting Pronouncements

Reference is made to Note 1 of our consolidated financial statements included herein.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

The registrant is a smaller reporting company and is not required to provide this information.

Item 8. ***Financial Statements and Supplementary Data***

The consolidated financial statements required under this item are submitted as a separate section of this report on the pages indicated at Item 15(a)(1).

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective at January 31, 2016 to ensure that the information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner and (2) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of published financial statements in accordance with generally accepted accounting principles.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or the degree of compliance may deteriorate.

Management conducted its evaluation of the effectiveness of its internal control over financial reporting as of January 31, 2016. In making this assessment, management used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, the principal executive officer and principal financial officer believe that as of January 31, 2016, the Company's internal control over financial reporting was effective based on criteria set forth by COSO in "Internal Control-Integrated Framework."

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the rules of the SEC that permit the Company to provide only management's report in this annual report.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this item is incorporated herein by reference to the Company's definitive proxy statement for the 2016 Annual Meeting of Shareholders.

The following sets forth certain information with respect to all executive officers of the Company. All officers serve at the pleasure of the Board of Directors.

Name	Age	Position
Gregory A. Woods	57	President, Chief Executive Officer and Director
Joseph P. O'Connell	72	Senior Vice President, Treasurer and Chief Financial Officer
Michael M. Morawetz	56	Vice President—International Branches
Stephen M. Petrarca	53	Vice President—Operations
Erik J. Mancyak	40	Vice President and Corporate Controller
Eric E. Pizzuti	49	Vice President and General Manager—QuickLabel
Michael J. Natalizia	52	Vice President and Chief Technology Officer

Mr. Woods has served as Chief Executive Officer of the Company since February 1, 2014. Mr. Woods joined the Company in September 2012 as Executive Vice President and Chief Operating Officer and was appointed President and Chief Operating Officer on August 29, 2013. Prior to joining the Company, Mr. Woods served from January 2010 to August 2012 as Managing Director of Medfield Advisors, LLC, an advisory firm located in Medfield, Massachusetts focused on providing corporate development and strategy guidance to technology driven manufacturing firms. From 2008 to 2010, Mr. Woods served as President of Performance Motion Devices, a specialty semiconductor and electronics manufacturer located in Lincoln, Massachusetts.

Mr. O'Connell joined the Company in 1996. He previously held senior financial management positions with Cherry Tree Products Inc., IBI Corporation and Avery Dennison Corporation. Mr. O'Connell is also Assistant Secretary of the Company. He was appointed to the position of Senior Vice President in 2007.

Mr. Morawetz was appointed Vice President International Branches in 2006. He was previously the General Manager of Branch Operations for the Company's German subsidiary, having joined the Company in 1989.

Mr. Petrarca was appointed Vice President of Operations in 1998. He has previously held positions as General Manager of Manufacturing, Manager of Grass Operations and Manager of Grass Sales. He has been with the Company since 1980.

Mr. Mancyak was appointed Vice President of the Company in 2011. He also holds the position of Corporate Controller and Principal Accounting Officer to which he was appointed in 2009. He served as Assistant Corporate Controller of the Company from 2008 to 2009 and prior to that was an Accounting Manager of the Company beginning in 2005. Prior to 2005, Mr. Mancyak was Senior Treasury Analyst at American Power Conversion and an auditor at the international accounting firm of KPMG LLP.

Mr. Eric E. Pizzuti was appointed Vice President and General Manager of the Company's QuickLabel business segment on March 9, 2012. Prior to this appointment, Mr. Pizzuti held the position of Vice President and Worldwide Director of Sales for QuickLabel Systems from March 2010 and Worldwide Director of Sales from March 2006 through March 2010. Mr. Pizzuti has held various other positions since joining the Company in 1996.

Mr. Natalizia was appointed Vice President and Chief Technology Officer of the Company on March 9, 2012. Prior to this appointment, Mr. Natalizia held the position of Director of Product Development of the Company since 2005.

Code of Ethics

The Company has adopted a Code of Conduct which applies to all directors, officers and employees of the Company, including the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Corporate Controller, which meets the requirements of a "code of ethics" as defined in Item 406 of Regulation S-K. A copy of the Code of Conduct will be provided to shareholders, without charge, upon request directed to Investor Relations or can be obtained on the Company's website, *(www.astronovainc.com)* , under the heading "Investors—Corporate Governance—Governance Documents." The Company intends to disclose any amendment to, or waiver of, a provision of the Code of Conduct for the CEO, CFO, Corporate Controller or persons performing similar functions by posting such information on its website.

Item 11. ***Executive Compensation***

The information required by to this item is incorporated herein by reference to the Company's definitive Proxy Statement for the 2016 Annual Meeting of Shareholders.

The information set forth under the heading "Compensation Committee Report" in the Company's definitive Proxy Statement is furnished and shall not be deemed filed for purposes of Section 18 of the Exchange Act, nor be incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item is incorporated herein by reference to the Company's definitive Proxy Statement for the 2016 Annual Meeting of Shareholders.

Equity Compensation Plan Information

The following table sets forth information about the Company's equity compensation plans as of January 31, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Shareholders	930,136(1)	$ 11.00(2)	406,211(3)
Equity Compensation Plans Not Approved by Shareholders	—	—	—
Total	930,136(1)	$ 11.00(2)	392,211

(1) Includes 47,974 shares issuable upon exercise of outstanding options granted under the Company's 1997 incentive stock option plan; 26,500 shares issuable upon exercise of outstanding options granted under the Company's 1998 non-qualified stock option plan; 553,462 shares issuable upon exercise of outstanding options granted and 37,200 restricted stock units outstanding under the Company's 2007 Equity Incentive Plan; and 30,000 shares issuable upon exercise of outstanding options granted and 235,000 restricted stock units outstanding under the Company's 2015 Equity Incentive Plan.

(2) Does not include restricted stock units.

(3) Represents 354,611 shares available for grant under the Astro-Med, Inc. 2007 and 2015 Equity Incentive Plans and 51,600 shares available for purchase under the Employee Stock Purchase Plan. This balance does not include 20,888 shares issued pursuant to outstanding unvested restricted stock awards which are subject to forfeiture.

Additional information regarding these equity compensation plans is contained in Note 11, “Share-Based Compensation,” in the Company’s Consolidated Financial Statements included in Item 15 hereto.

Item 13. ***Certain Relationships, Related Transactions and Director Independence***

The information required by this item is incorporated herein by reference to the Company’s definitive Proxy Statement for the 2016 Annual Meeting of Shareholders.

Item 14. ***Principal Accountant Fees and Services***

The information required by this item is incorporated herein by reference to the Company’s definitive Proxy Statement for the 2016 Annual Meeting of Shareholders.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a)(1) Financial Statements:

The following documents are included as part of this Annual Report filed on Form 10-K:

(a)(2) Financial Statement Schedule:

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted.

(a)(3) *Exhibits:*

Exhibit Number	
(2.1)	Asset Purchase Agreement dated January 11, 2014 by and between Astro-Med, Inc. (the "Company") and Miltope Corporation (d/b/a VT Miltope, a company of VT Systems), an Alabama corporation (the "Seller"), as amended by that Amendment to Asset Purchase Agreement dated January 22, 2014, by and between the Company and the Seller (filed as Exhibit No. 2.1 to the Company's report on Form 8-K dated January 22, 2014 and by this reference incorporated herein).
(2.2)	Asset Purchase Agreement dated January 5, 2013 by and among Astro-Med, Inc. (the "Company"), Grass Technologies Corporation ("Grass") and Natus Medical Incorporated ("Natus"), as amended by First Amendment to Asset Purchase Agreement dated as of January 31, 2013, by and among the Company, Grass and Natus (filed as Exhibit No. 2.1 to the Company's report on Form 8-K dated February 4, 2013 and by this reference incorporated herein).
(2.3)	Asset Purchase Agreement dated June 18, 2015 by and among Astro-Med, Inc. (the "Company"), and Rugged Information Technology Equipment Corp. ("RITEC").*
(3A)	Articles of Incorporation of the Company and all amendments thereto (filed as Exhibit No. 3A to the Company's report on Form 10-Q for the quarter ended August 1, 1992 (File No. 000-13200) and by this reference incorporated herein).
(3B)	By-laws of the Company as amended to date (filed as Exhibit No. 3B to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2008 (File No. 000-13200) and by this reference incorporated herein).
(4)	Specimen form of common stock certificate of the Company.
(10.1)	Astro-Med, Inc. Non-Employee Director Stock Plan filed as Exhibit 4.3 to Registration Statement on Form S-8 filed on March 28, 1997, Registration No. 333-24123, and incorporated by reference herein.**
(10.2)	Astro-Med, Inc. 1997 Incentive Stock Option Plan, as amended, filed as Exhibit 4.3 to Registration Statements on Form S-8 filed on August 28, 1998, Registration No. 333-93565, and incorporated by reference herein.**
(10.3)	Astro-Med, Inc. 1998 Non-Qualified Stock Option Plan, as amended, filed as Exhibit 4.3 to Registration Statement on Form S-8 filed on August 28, 1998, Registration No. 333-62431 and incorporated by reference herein.**
(10.4)	Astro-Med, Inc. 2007 Equity Incentive Plan as filed as Appendix A to the Definitive Proxy Statement filed on April 25, 2007 on Schedule 14A (File No. 000-13200) for the 2007 annual shareholders meeting and incorporated by reference herein.**
(10.5)	Astro-Med, Inc. Management Bonus Plan (Group III) filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the period ended May 3, 2014, and by this reference incorporated herein.**
(10.6)	Astro-Med, Inc. Management Bonus Plan—Vice President International Branches filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K (File No. 000-13200) for the year ended January 31, 2009 and by this reference incorporated herein.**
(10.7)	Astro-Med, Inc. Amended and Restated Non-Employee Directors Compensation Program filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the period ended May 3, 2014 and by this reference incorporated herein.**
(10.8)	Form of Performance-Based Restricted Stock Unit Award Agreement filed as Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the period ended April 28, 2012 and by this reference incorporated herein.**

Exhibit Number	
(10.9)	Transition Services Agreement dated January 5, 2013 by and between the Company and Natus, as amended by First Amendment to Transition Services Agreement dated as of January 31, 2013, by and between the Company and Natus filed as Exhibit No. 10.1 to the Company's report on Form 8-K dated February 4, 2013 and by this reference incorporated herein.
(10.10)	Release and Non-Competition Agreement dated as of February 1, 2014 by and between the Company and Everett V. Pizzuti filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended January 31, 2014 and by this reference incorporated herein.**
(10.11)	Three-Year Revolving Line of Credit Agreement dated September 5, 2014 by and between the Company and Wells Fargo Bank filed as Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q for the period ended November 1, 2014 and by this reference incorporated herein.
(10.12)	Equity Incentive Award Agreement dated as of November 24, 2014 by and between the Company and Gregory A. Woods filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended January 31, 2015 and by this reference incorporated herein.**
(10.13)	Change in Control Agreement dated as of November 24, 2014 by and between the Company and Gregory A. Woods filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended January 31, 2015 and by this reference incorporated herein.**
(10.14)	Stock Repurchase Agreement dated as of December 4, 2014 by and among Astro-Med, Inc. and Albert W. Ondis III, Alexis Ondis and April Ondis, each in his or her capacity as a Co-Executor of the Estate of Albert W. Ondis filed on Form 8-K on December 4, 2014 and incorporated by reference herein.
(10.15)	Senior Executive Short Term Incentive Plan adopted March 27, 2015 filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended May 2, 2015 and by this reference incorporated herein.**
(10.16)	General Manager Employment Contract dated November 18, 2014 by and among Astro-Med, Inc. and Michael Morawetz filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended May 2, 2015 and by this reference incorporated herein.**
(10.17)	Form of Indemnification Agreement for directors and officers filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended October 31, 2015 and by this reference incorporated herein.**
(21)	List of Subsidiaries of the Company.
(23.1)	Consent of Wolf & Company, P.C.
(31.1)	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101)	The following materials from Registrant's Annual Report on Form 10-K for the year ended January 31, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Shareholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements. Filed electronically herein.

* Schedules to this Exhibit have been omitted in reliance on Item 601(b)(2) of Regulation S-K. The Company will furnish copies of any such schedules to the SEC upon request.

** Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ASTRO-MED, INC.
(Registrant)

Date: April 8, 2016

By: /S/ GREGORY A. WOODS
(Gregory A. Woods, Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Name	Title	Date
/S/ GREGORY A. WOODS **Gregory A. Woods**	President, Chief Executive Officer and Director (Principal Executive Officer)	April 8, 2016
/S/ JOSEPH P. O'CONNELL **Joseph P. O'Connell**	Senior Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)	April 8, 2016
/S/ ERIK J. MANCYAK **Erik J. Mancyak**	Vice President and Corporate Controller (Principal Accounting Officer)	April 8, 2016
/S/ HERMANN VIETS **Hermann Viets**	Chairman of the Board of Directors and Director	April 8, 2016
/S/ EVERETT V. PIZZUTI **Everett V. Pizzuti**	Director	April 8, 2016
/S/ GRAEME MACLETCHIE **Graeme MacLetchie**	Director	April 8, 2016
/S/ MITCHELL I. QUAIN **Mitchell I. Quain**	Director	April 8, 2016
/S/ HAROLD SCHOFIELD **Harold Schofield**	Director	April 8, 2016
/S/ APRIL ONDIS **April Ondis**	Director	April 8, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Astro-Med, Inc.

We have audited the accompanying consolidated balance sheets of Astro-Med, Inc. (the "Company") as of January 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. Our audit also included the financial statement schedule listed in the index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Astro-Med, Inc. as of January 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the two years in the period ended January 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Wolf & Company, P.C.

Boston, Massachusetts
April 8, 2016

ASTRO-MED, INC.

CONSOLIDATED BALANCE SHEETS

As of January 31

(In Thousands, Except Share Data)

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 10,043	$ 7,958
Securities Available for Sale	10,376	15,174
Accounts Receivable, net of reserves of $404 in 2016 and $343 in 2015	15,325	14,107
Inventories	14,890	15,582
Line of Credit Receivable	150	173
Note Receivable	191	255
Asset Held for Sale	—	1,900
Prepaid Expenses and Other Current Assets	3,539	4,140
Total Current Assets	54,514	59,289
PROPERTY, PLANT AND EQUIPMENT		
Land and Improvements	967	904
Buildings and Improvements	11,350	10,551
Machinery and Equipment	27,396	25,368
	39,713	36,823
Less Accumulated Depreciation	(29,906)	(28,444)
Total Property, Plant and Equipment, net	9,807	8,379
OTHER ASSETS		
Note Receivable	—	256
Deferred Tax Assets	3,049	2,629
Identifiable Intangibles, net	5,980	2,698
Goodwill	4,521	991
Other	92	88
Total Other Assets	13,642	6,662
TOTAL ASSETS	$ 77,963	$ 74,330
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 3,192	$ 3,155
Accrued Compensation	3,436	3,302
Other Accrued Expenses	2,209	2,343
Deferred Revenue	529	621
Income Taxes Payable	182	148
Total Current Liabilities	9,548	9,569
Deferred Tax Liabilities	78	83
Other Long Term Liabilities	964	1,167
TOTAL LIABILITIES	10,590	10,819
Commitments and Contingencies (See Note 19)		
SHAREHOLDERS' EQUITY		
Preferred Stock, $10 Par Value, Authorized 100,000 shares, None Issued	—	—
Common Stock, $0.05 Par Value, Authorized 13,000,000 shares; Issued 9,666,290 shares in 2016 and 9,544,864 shares in 2015	483	477
Additional Paid-in Capital	45,675	43,600
Retained Earnings	42,212	39,735
Treasury Stock, at Cost, 2,323,545 shares in 2016 and 2,293,606 shares in 2015	(20,022)	(19,602)
Accumulated Other Comprehensive Loss, Net of Tax	(975)	(699)
Total Shareholders' Equity	67,373	63,511
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 77,963	$ 74,330

See Notes to the Consolidated Financial Statements.

ASTRO-MED, INC.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended January 31

(In Thousands, Except Per Share Data)

	2016	2015
Net Sales	$94,658	$88,347
Cost of Sales	56,500	51,370
Gross Profit	38,158	36,977
Costs and Expenses:		
Selling and Marketing	18,249	18,289
Research and Development	6,945	5,802
General and Administrative	7,030	5,655
Operating Expenses	32,224	29,746
Operating Income	5,934	7,231
Other Income (Expense):		
Investment Income	72	81
Other, Net	903	(380)
	975	(299)
Income before Income Taxes	6,909	6,932
Income Tax Provision	2,384	2,270
Net Income	$ 4,525	$ 4,662
Net Income Per Common Share—Basic	$ 0.62	$ 0.61
Net Income Per Common Share—Diluted	$ 0.61	$ 0.60
Weighted Average Number of Common Shares Outstanding—Basic	7,288	7,612
Dilutive Effect of Common Stock Equivalents	183	222
Weighted Average Number of Common Shares Outstanding—Diluted	7,471	7,834
Dividends Declared Per Common Share	$ 0.28	$ 0.28

See Notes to the Consolidated Financial Statements.

ASTRO-MED, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended January 31

(In Thousands)

	2016	2015
Net Income	$4,525	$4,662
Other Comprehensive Loss, net of taxes and reclassification adjustments:		
Foreign currency translation adjustments	(269)	(866)
Unrealized loss on securities available for sale	(7)	(9)
Other Comprehensive Loss	(276)	(875)
Comprehensive Income	$4,249	$3,787

See Notes to the Consolidated Financial Statements.

ASTRO-MED, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

($ In Thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount					
Balance January 31, 2014	9,291,225	$ 465	$ 41,235	$37,201	$(12,463)	$ 176	$ 66,614
Share-based compensation	—	—	511	—	—	—	511
Employee option exercises	227,512	11	1,887	—	(889)	—	1,009
Tax benefit of employee stock options	—	—	107	—	—	—	107
Restricted stock awards vested, net	26,127	1	(140)	—	—	—	(139)
Repurchases of common stock	—	—	—	—	(6,250)	—	(6,250)
Dividends paid	—	—	—	(2,128)	—	—	(2,128)
Net income	—	—	—	4,662	—	—	4,662
Other comprehensive loss	—	—	—	—	—	(875)	(875)
Balance January 31, 2015	9,544,864	$ 477	$ 43,600	$39,735	$(19,602)	$ (699)	$ 63,511
Share-based compensation	—	—	1,209	—	—	—	1,209
Employee option exercises	98,734	5	802	—	(371)	—	436
Tax benefit of employee stock options	—	—	65	—	—	—	65
Restricted stock awards vested, net	22,692	1	(1)	—	(49)	—	(49)
Dividends paid	—	—	—	(2,048)	—	—	(2,048)
Net income	—	—	—	4,525	—	—	4,525
Other comprehensive loss	—	—	—	—	—	(276)	(276)
Balance January 31, 2016	9,666,290	$ 483	$ 45,675	$42,212	$(20,022)	$ (975)	$ 67,373

See Notes to the Consolidated Financial Statements.

ASTRO-MED, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended January 31

(In Thousands)

	2016	2015
Cash Flows from Operating Activities:		
Net Income	$ 4,525	$ 4,662
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	2,065	2,063
Share-Based Compensation	1,209	511
Deferred Income Tax Benefit	(422)	(636)
Excess Tax Benefit From Share-Based Compensation	(65)	(107)
Write-down of Asset Held for Sale	—	220
Changes in Assets and Liabilities, Net of Impact of Acquisitions:		
Accounts Receivable	(1,285)	(2,741)
Inventories	600	(404)
Accounts Payable and Accrued Expenses	151	810
Income Taxes Payable	412	(1,747)
Other	537	(1,140)
Net Cash Provided by Operating Activities	7,727	1,491
Cash Flows from Investing Activities:		
Proceeds from Sales/Maturities of Securities Available for Sale	9,978	12,885
Purchases of Securities Available for Sale	(5,192)	(9,306)
Acquisition of RITEC's Aerospace Printer Business	(7,360)	—
Net Proceeds Received for Sale of Asset Held for Sale	1,698	—
Release of Funds Held in Escrow From Sale of Grass	—	1,800
Proceeds Received on Disposition of Grass Inventory	—	2,355
Payments Received on Line of Credit and Note Receivable	395	258
Additions to Property, Plant and Equipment	(3,061)	(2,247)
Net Cash Provided (Used) by Investing Activities	(3,542)	5,745
Cash Flows from Financing Activities:		
Net Proceeds from Common Shares Issued Under Employee Benefit Plans and Employee Stock Option Plans, Net of Payment of Minimum Tax Withholdings	387	870
Purchase of Treasury Stock	—	(6,250)
Excess Tax Benefit from Share-Based Compensation	65	107
Dividends Paid	(2,048)	(2,128)
Net Cash Used in Financing Activities	(1,596)	(7,401)
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(504)	(218)
Net Increase (Decrease) in Cash and Cash Equivalents	2,085	(383)
Cash and Cash Equivalents, Beginning of Year	7,958	8,341
Cash and Cash Equivalents, End of Year	$10,043	$ 7,958
Supplemental Information:		
Cash Paid During the Period for:		
Income Taxes, Net of Refunds	$ 2,257	$ 4,566

See Notes to the Consolidated Financial Statements.

ASTRO-MED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2016 and 2015

Note 1—Summary of Significant Accounting Policies

Basis of Presentation : The accompanying financial data have been prepared by us pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and are presented in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Our fiscal year end is January 31. Unless otherwise stated, all years and dates refer to our fiscal year.

Principles of Consolidation: The consolidated financial statements include the accounts of Astro-Med, Inc. and its subsidiaries. All material intercompany accounts and transactions are eliminated in consolidation.

Reclassification: Certain amounts in prior year's financial statements have been reclassified to conform to the current year's presentation.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect these financial statements and accompanying notes. Some of the more significant estimates relate to the allowances for doubtful accounts and credits, inventory valuation, valuation and estimated lives of intangible assets, impairment of long-lived assets, asset held for sale, goodwill, income taxes, share-based compensation and warranty reserves. Management's estimates are based on the facts and circumstances available at the time estimates are made, past historical experience, risk of loss, general economic conditions and trends, and management's assessments of the probable future outcome of these matters. Consequently, actual results could differ from those estimates.

Cash and Cash Equivalents: Highly liquid investments with an original maturity of 90 days or less are considered to be cash equivalents. Similar investments with original maturities beyond three months are classified as securities available for sale. Cash of $2,959,000 and $2,995,000 was held in foreign bank accounts at January 31, 2016 and 2015, respectively.

Securities Available for Sale: Securities available for sale are carried at fair value based on quoted market prices, where available. The difference between cost and fair value, net of related tax effects, is recorded as a component of accumulated other comprehensive loss in shareholders' equity.

Inventories: Inventories are stated at the lower of cost (first-in, first-out) or market and include material, labor and manufacturing overhead.

Property, Plant and Equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets (land improvements—10 to 20 years; buildings and improvements—10 to 45 years; machinery and equipment—3 to 10 years). Depreciation expense was $1,567,000 for fiscal 2016 and $1,361,000 for 2015.

Revenue Recognition: Astro-Med's product sales are recognized when all of the following criteria have been met: persuasive evidence of an arrangement exists; price to the buyer is fixed or determinable; delivery has occurred and legal title and risk of loss have passed to the customer; and collectability is reasonably assured. Returns and customer credits are infrequent and are recorded as a reduction to sales. Rights of return are not included in sales arrangements. Revenue associated with products that contain specific customer acceptance criteria is not recognized before the customer acceptance criteria are satisfied. Discounts from list prices are recorded as a reduction to sales. Amounts billed to customers for shipping and handling fees are included in sales while related shipping and handling costs are included in cost of sales.

The majority of our equipment contains embedded operating systems and data management software which is included in the purchase price of the equipment. The software is deemed incidental to the systems as a whole as it is not sold separately or marketed separately and its production costs are minor as compared to those of the hardware system. Therefore, the Company's hardware appliances are considered non-software elements and are not subject to the industry-specific software revenue recognition guidance.

Our multiple-element arrangements are generally comprised of a combination of equipment, software, installation and/or training services. Hardware and software elements are typically delivered at the same time and revenue is recognized when all the revenue recognition criteria for each unit are met. Delivery of installation and training services will vary based on certain factors such as the complexity of the equipment, staffing availability in a geographic location and customer preferences, and can range from a few days to a few months. Service revenue is deferred and recognized over the contractual period or as services are rendered and accepted by the customer.

We have evaluated the deliverables in our multiple-element arrangements and concluded that they are separate units of accounting if the delivered item or items have value to the customer on a standalone basis and delivery or performance of the undelivered item(s) is considered probable and substantially in our control. We allocate revenue to each element in our multiple-element arrangements based upon their relative selling prices. We determine the selling price for each deliverable based on a selling price hierarchy. The selling price for a deliverable is based on vendor specific objective evidence (VSOE) if available, third-party evidence (TPE) if VSOE is not available, or estimated selling price (ESP) if neither VSOE nor TPE is available. Revenue allocated to each element is then recognized when the basic revenue recognition criteria for that element has been met.

Infrequently, Astro-Med recognizes revenue for non-recurring engineering (NRE) fees for product modification orders upon completion of agreed-upon milestones. Revenue is deferred for any amounts received prior to completion of milestones. Certain of our NRE arrangements include formal customer acceptance provisions. In such cases, we determine whether we have obtained customer acceptance for the specific milestone before recognizing revenue. NRE fees have not been significant in the periods presented herein.

Infrequently, Astro-Med receives requests from customers to hold product purchased from us for the customer's convenience. Revenue is recognized for such bill and hold arrangements in accordance with the requirements of SEC Staff Accounting Bulletin No. 104 which requires, among other things, the existence of a valid business purpose for the arrangement; the transfer of ownership of the purchased product; a fixed delivery date that is reasonable and consistent with the buyer's business purpose; the readiness of the product for shipment; the use of customary payment terms; no continuing performance obligation by us; and segregation of the product from our inventories.

Research and Development Costs: Astro-Med charges costs to expense in the period incurred, and these expenses are presented in the consolidated statement of income. Included in research and development expense are the following: salaries and benefits, external engineering service costs, engineering related information costs and supplies.

Foreign Currency Translation: The financial statements of foreign subsidiaries and branches are measured using the local currency as the functional currency. Foreign currency denominated assets and liabilities are translated into U.S. dollars at year-end exchange rates with the translation adjustment recorded as a component of accumulated comprehensive income (loss) in shareholders' equity. Revenues and expenses are translated at the monthly average exchange rates. We do not provide for U.S. income taxes on foreign currency translation adjustments associated with our German subsidiary since its undistributed earnings are considered to be permanently invested. Our net foreign exchange losses were $323,000 and $219,000 for fiscal 2016 and 2015, respectively.

Advertising: Astro-Med expenses advertising costs as incurred. Advertising costs including advertising production, trade shows and other activities are designed to enhance demand for our products and amounted to approximately $1,058,000 and $1,717,000 in fiscal 2016 and 2015, respectively.

Long-Lived Assets: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination

of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the projected undiscounted cash flows are less than the carrying value, then an impairment charge would be recorded for the excess of the carrying value over the fair value, as determined by the discounting of future cash flows. For both 2016 and 2015, these were no impairment charges for long-lived assets.

Assets Held for Sale: Assets held for sale are reported at the lower of cost or fair value. Cost to sell are accrued separately. Astro-Med's former Grass facility located in Rockland, Massachusetts met the held for sale classification criteria for the period ended January 31, 2015. The Company estimated the fair value of the Rockland facility using the market values for similar properties and estimated the fair value less the cost to sell and was considered a Level 2 asset in as defined in ASC 820, "Fair Value Measurements. *"* Refer to Note 20, "Fair Value Measurements," for further details.

Intangible Assets: Intangible assets include the value of customer relationships, non-competition agreements and backlog rights acquired in connection with business acquisitions and are stated at cost (fair value at acquisition) less accumulated amortization. These intangible assets have a definite life and are amortized over the assets' useful lives using a systematic and rational basis which is representative of the assets' use. Intangible assets with a definite life are tested for impairment whenever events or circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. If necessary, an impairment loss is recognized when the carrying amount of an asset exceeds the estimated undiscounted cash flows used in determining the fair value of the asset. The amount of the impairment loss recorded is calculated by the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted cash flow analysis. For both 2016 and 2015, there were no impairment charges for intangible assets.

Goodwill: Management evaluates the recoverability of goodwill annually or more frequently if events or changes in circumstances, such as declines in sales, earnings or cash flows, or material adverse changes in the business climate, indicate that the carrying value of an asset might be impaired. Goodwill is first qualitatively assessed to determine whether further impairment testing is necessary. Factors that management considers in this assessment include macroeconomic conditions, industry and market considerations, overall financial performance (both current and projected), changes in management and strategy and changes in the composition or carrying amount of net assets. If this qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a two-step process is then performed. Step one compares the fair value of the reporting unit with its carrying value, including goodwill. If the carrying amount exceeds the fair value of the reporting unit, step two is required to determine if there is an impairment of the goodwill. Step two compares the implied fair value of the reporting unit goodwill to the carrying amount of the goodwill. We estimate the fair value of our reporting units using the income approach based upon a discounted cash flow model. We believe that this approach is appropriate because it provides a fair value estimate based upon the reporting unit's expected long–term operating cash flow performance. In addition, the Company uses the market approach, which compares the reporting unit to publicly-traded companies and transactions involving similar business, to support the conclusions based upon the income approach. The income approach requires the use of many assumptions and estimates including future revenue, expenses, capital expenditures, and working capital, as well as discount factors and income tax rates.

We performed a qualitative assessment for our 2016 analysis of goodwill. Based on this assessment, management does not believe that it is more likely than not that the carrying value of the reporting units exceed their fair values. Accordingly, no further testing was performed as management believes that there are no impairment issues in regards to goodwill at this time.

Income Taxes: Astro-Med uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting basis and tax basis of the assets and liabilities and are measured using enacted tax rates that will be in effect when the differences are expected to reverse. An allowance against deferred tax assets is recognized when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. At January 31, 2016 and 2015, a valuation allowance was provided for deferred tax assets attributable to certain state R&D credit carryforwards.

Astro-Med accounts for uncertain tax positions in accordance with the guidance provided in ASC 740, “Accounting for Income Taxes.” This guidance describes a recognition threshold and measurement attribute for the financial statement disclosure of tax positions taken or expected to be taken in a tax return and requires recognition of tax benefits that satisfy a more-likely-than-not threshold. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

Net Income Per Common Share: Basic net income per share is based on the weighted average number of shares outstanding during the period. Diluted net income per share is based on the basic weighted average number of shares and potential common equivalent shares for stock options, restricted stock awards and restricted stock units outstanding during the period using the treasury stock method. In fiscal years 2016 and 2015, there were 425,200 and 156,600, respectively, of common equivalent shares that were not included in the computation of diluted net income per common share because their inclusion would be anti-dilutive.

Allowance for Doubtful Accounts: In circumstances where we are aware of a customer’s inability to meet its financial obligations, an allowance is established. The majority of accounts are individually evaluated on a regular basis and allowances are established to state such receivables at their net realizable value. The remainder of the allowance is based upon historical write-off experience and current market assessments.

Fair Value of Financial Instruments: Our financial instruments consist of cash and cash equivalents, investment securities, accounts receivable, a note receivable, a line of credit receivable and accounts payable. The carrying amount reflected in the consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable approximates fair value due to the short-term nature of these items. Investment securities, all of which are available for sale, are carried in the consolidated balance sheets at fair value based on quoted market prices, when available. The note receivable is carried in the consolidated balance sheets at fair value based on the present value of the discounted cash flows over the life of the note.

The Company measures assets held for sale at fair value on a nonrecurring basis and records impairment charges when the assets are deemed to be impaired.

Share-Based Compensation : Share-based compensation expense is measured based on the estimated fair value of the share-based award when granted and is recognized as an expense over the requisite service period (generally the vesting period of the equity grant). We have estimated the fair value of each option on the date of grant using the Black-Scholes option-pricing model. Our estimate of share-based compensation requires a number of complex and subjective assumptions including our stock price volatility, employee exercise patterns (expected life of the options), the risk-free interest rate and the Company’s dividend yield. The stock price volatility assumption is based on the historical weekly price data of our common stock over a period equivalent to the weighted average expected life of our options. Management evaluated whether there were factors during that period which were unusual and would distort the volatility figure if used to estimate future volatility and concluded that there were no such factors. In determining the expected life of the option grants, the Company has observed the actual terms of prior grants with similar characteristics and the actual vesting schedule of the grant and has assessed the expected risk tolerance of different option groups. The risk-free interest rate is based on the actual U.S. Treasury zero coupon rates for bonds matching the expected term of the option as of the option grant date. The dividend assumption is based upon the prior year’s average dividend yield. No compensation expense is recognized for options that are forfeited for which the employee does not render the requisite service. Our accounting for share-based compensation for restricted stock awards (RSA) and restricted stock units (RSU) is also based on the fair value method. The fair value of the RSUs and RSAs is based on the closing market price of the Company’s common stock on the grant date.

The cash flow from the tax benefits that are a result of tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) are classified as a cash inflow from financing activities and a cash outflow from operating activity. Tax deductions from certain stock option exercises are treated as being realized when they reduce taxes payable in accordance with relevant tax law.

Recent Accounting Pronouncements:

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, "Leases (Topic 842)." ASU 2016-02 will supersede current guidance related to accounting for leases and is intended to increase transparency and comparability among organizations by requiring lessees to recognize assets and liabilities in the balance sheet for operating leases with lease terms greater than twelve months. The update also requires improved disclosures to help users of financial statements better understand the amount, timing and uncertainty of cash flows arising from leases. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (Q1 fiscal 2020 for Astro-Med), with early adoption permitted. At adoption, this update will be applied using a modified retrospective approach. The Company is currently evaluating the effect of this new guidance on the Company's consolidated financial statements.

Income Taxes

In November 2015, the FASB issued ASU 2015-17, "Income Taxes (Topic 740)." ASU 2015-17 amended guidance applicable to the presentation of income taxes and requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet rather than being separated into current and noncurrent. This amendment represents a change in accounting principle and is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods. Early adoption is permitted. As permitted by the standard, we adopted the new presentation retrospectively, beginning on February 1, 2014. As a result, all of the Company's deferred taxes are presented as non-current in the accompanying consolidated balance sheets for the periods ended January 31, 2016 and 2015.

Inventory

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330)." ASU 2015-11 requires inventory to be measured at the lower of cost and net realizable value instead of at lower of cost or market. This guidance does not apply to inventory that is measured using last-in, first out (LIFO) or the retail inventory method but applies to all other inventory including inventory measured using first-in, first-out (FIFO) or the average cost method. ASU 2015-11 will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years (Q1 fiscal 2018 for Astro-Med) and should be applied prospectively. Early adoption is permitted as of the beginning of an interim or annual reporting period. Astro-Med is currently evaluating the effect of this new guidance on the Company's consolidated financial statements.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 completes the joint effort by the FASB and International Accounting Standards Board (IASB) to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards (IFRS). ASU 2014-09 applies to all companies that enter into contracts with customers to transfer goods or services. In August 2015, the FASB modified ASU 2014-09 to be effective for annual reporting periods beginning after December 15, 2017 (Q1 fiscal 2019 for Astro-Med), including interim periods within that reporting period. As modified, the FASB permits the adoption of the new revenue standard early, but not before annual periods beginning after December 15, 2016. Entities have the choice to apply ASU 2014-09 either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying ASU 2014-09 at the date of initial application and not adjusting comparative information. The Company is currently evaluating the requirements of ASU 2014-09 and has not yet determined its impact on the Company's consolidated financial statements.

Note 2—Acquisition

On June 19, 2015, Astro-Med completed the acquisition of the aerospace printer product line for civil and commercial aircraft from Rugged Information Technology Equipment Corporation (RITEC) under the terms of an Asset Purchase Agreement dated June 18, 2015. The products of RITEC consist of aerospace printers for use in commercial aircraft sold primarily to aircraft manufacturers, tier one contractors and directly to airlines around the world. Astro-Med's aerospace printer product line is part of the Test & Measurement (T&M) product group and is reported as part of the T&M segment. The Company began shipment of the RITEC products in the third quarter of fiscal 2016.

The purchase price of the acquisition was $7,360,000 which was funded using available cash and investment securities. Of the $7,360,000 purchase price, $750,000 is being held in escrow for twelve months following the acquisition date to support an indemnity to the Company in the event of any breach in the representations, warranties or covenants of RITEC. The assets acquired consist principally of accounts receivables and certain intangible assets. Acquisition related costs of approximately $109,000 are included in the general and administrative expenses in the Company's consolidated statements of income for fiscal year ended 2016. The acquisition was accounted for under the acquisition method in accordance with the guidance provided by FASB ASC 805, "Business Combinations."

Astro-Med also entered into a Transition Services Agreement, under which RITEC will provide transition services and continue to manufacture products in the acquired product line until the Company transitions the manufacturing to its West Warwick, Rhode Island facility, which the Company anticipates will occur in the second quarter of fiscal 2017. Upon expiration of the Transition Services Agreement, Astro-Med will purchase any inventory held by RITEC at its book value (net of reserves), which the Company estimates will be approximately $150,000.

Also as part of the Asset Purchase Agreement, Astro-Med entered into a License Agreement, which grants RITEC certain rights to use the intellectual property acquired by the Company in the design, development, marketing, manufacture, sale and servicing of aerospace printers for aircraft sold to the military end-user market and printers sold to other non-aircraft market segments. RITEC will pay royalties equal to 7.5% of the sales price on all products sold into the military end-user aircraft market during the first five years of the License Agreement.

The purchase price of the acquisition has been allocated on the basis of the fair value as follows:

(In thousands)	
Accounts Receivable	$ 50
Identifiable Intangible Assets	3,780
Goodwill	3,530
Total Purchase Price	$7,360

The fair value of the intangible assets acquired was estimated by applying the income approach. This fair value measurement is based on significant inputs that are not observable in the market and therefore, represent a Level 3 measurement as defined in ASC 820, "Fair Value Measurement and Disclosure." Key assumptions include (1) a weighted average cost of capital of 15.5%; (2) a range of earnings projections from $110,000-$700,000 and (3) a range of contract renewal probability from 30%-100%.

Goodwill of $3,530,000, which is deductible for tax purposes, represents the excess of the purchase price over the estimated fair value assigned to the tangible and identifiable intangible assets acquired from RITEC. The carrying amount of the goodwill was allocated to the T&M segment of the Company.

The following table reflects the fair value of the acquired identifiable intangible assets and related estimated useful lives:

(In thousands)	Fair Value	Useful Life (Years)
Customer Contract Relationships	$2,830	10
Non-Competition Agreement	950	5
Total	$3,780	

Assuming the acquisition of RITEC occurred on February 1, 2014, the impact on net sales, net income and earnings per share would not have been material to the Company for the years ended January 31, 2016 and 2015.

Note 3—Intangible Assets

Intangible assets are as follows:

	January 31, 2016			January 31, 2015		
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Miltope:						
Customer Contract Relationships	$ 3,100	$ (758)	$ 2,342	$ 3,100	$ (402)	$ 2,698
Backlog	—	—	—	300	(300)	—
RITEC:						
Customer Contract Relationships	2,830	(31)	2,799	—	—	—
Non-Competition Agreement	950	(111)	839	—	—	—
Intangible assets, net	$ 6,880	$ (900)	$ 5,980	$ 3,400	$ (702)	$ 2,698

There were no impairments to intangible assets during the periods ended January 31, 2016 and 2015. Amortization expense of $498,000 and $702,000 in regards to the above acquired intangibles has been included in the consolidated statements of income for years ended January 31, 2016 and 2015, respectively.

Estimated amortization expense for the next five years is as follows:

(In thousands)	2017	2018	2019	2020	2021
Estimated amortization expense	$715	$774	$769	$803	$706

Note 4—Securities Available for Sale

Pursuant to our investment policy, securities available for sale include state and municipal securities with various contractual or anticipated maturity dates ranging from one month to three years. These securities are carried at fair value, with unrealized gains and losses reported as a component of accumulated other comprehensive income (loss), net of taxes in shareholders' equity until realized. Realized gains and losses from the sale of available for sale securities, if any, are determined on a specific identification basis. A decline in the fair value of any available for sale security below cost that is determined to be other than temporary will result in a write-down of its carrying amount to fair value. No such impairment charges were recorded for any period presented. All short-term investment securities have original maturities greater than 90 days.

The fair value, amortized cost and gross unrealized gains and losses of the securities are as follows:

(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
January 31, 2016				
State and Municipal Obligations	$ 10,363	$ 15	$ (2)	$10,376
January 31, 2015				
State and Municipal Obligations	$ 15,150	$ 26	$ (2)	$15,174

The contractual maturity dates of these securities are as follows:

	January 31	
(In thousands)	2016	2015
Less than one year	$ 3,833	$ 9,470
One to three years	6,543	5,704
	$10,376	$15,174

Actual maturities may differ from contractual dates as a result of sales or earlier issuer redemptions.

Note 5—Inventories

The components of inventories are as follows:

	January 31	
(In thousands)	2016	2015
Materials and Supplies	$10,197	$10,600
Work-in-Progress	1,025	765
Finished Goods	7,491	7,372
	18,713	18,737
Inventory Reserve	(3,823)	(3,155)
Balance at January 31	$14,890	$15,582

Included within finished goods inventory is $1,354,000 and $1,030,000 of demonstration equipment at January 31, 2016 and 2015, respectively.

Note 6—Accrued Expenses

Accrued expenses consisted of the following:

	January 31	
(In thousands)	2016	2015
Warranty	$ 400	$ 375
Product Replacement Cost Reserve	278	353
Professional Fees	328	256
Executive Retirement Package	—	250
Dealer Commissions	221	163
Other	982	946
	$2,209	$2,343

Note 7—Line of Credit

Astro-Med has a $10 million revolving line of credit available to be used as needed for ongoing working capital requirements, business acquisitions or general corporate purposes. Any borrowings made under the line of credit bear interest at either a fluctuating base rate equal to the highest of (i) the Prime Rate, (ii) 1.50% above the daily one month LIBOR, and (iii) the Federal Funds Rate in effect plus 1.50% or at a fixed rate of LIBOR plus an agreed upon margin of between 0% and 2.25%, based on the Company's funded debt to EBITDA ratio as defined in the agreement. In addition, the agreement provides for two financial covenant requirements, namely, Total Funded Debt to Adjusted EBITDA (as defined) of not greater than 3 to 1 and a Fixed Charge Coverage Ratio (as defined) of not less than 1.25 to 1, both measured at the end of each quarter on a rolling four quarter basis. As of January 31, 2016, there have been no borrowings against this line of credit and the Company was in compliance with its financial covenants. Under the terms, the line of credit will expire on August 30, 2017.

Note 8—Note Receivable and Revolving Line of Credit Receivable

On January 30, 2012, we completed the sale of our label manufacturing operations in Asheboro, North Carolina to Label Line Ltd. The net sales price of $1,000,000 was received in the form of a promissory note issued by Label Line Ltd. and is fully secured by a first lien on various collateral, including the Asheboro plant and plant assets. The note bears interest at 3.75% and is payable in sixteen quarterly installments of principal and interest which commenced on January 30, 2013. As of January 31, 2016, $191,000 remains outstanding on this note which approximates its estimated fair value.

The terms of the Asheboro sale also included an agreement for Astro-Med to provide Label Line Ltd. with additional financing in the form of a revolving line of credit of $600,000, which is fully secured by a first lien on various collateral, including the Asheboro plant and plant assets. This line of credit bears interest at a rate equal to the United States prime rate plus an additional margin of two percent of the outstanding credit balance (5.25% at January 31, 2016). Although the initial term was for a period of one-year from the date of the sale, the agreement had been extended through January 31, 2016. As of January 31, 2016, $150,000 remains outstanding on this revolving line of credit. Subsequent to fiscal 2016 year-end, the agreement was amended to extend the term of the agreement through January 31, 2017.

Note 9—Accumulated Other Comprehensive Loss

The changes in the balance of accumulated other comprehensive loss by component are as follows:

(In thousands)	Foreign Currency Translation Adjustments	Unrealized Holding Gain (Loss) on Available for Sale Securities	Total
Balance at January 31, 2014	$ 152	$ 24	$ 176
Other Comprehensive Loss	(866)	(9)	(875)
Amounts Reclassified to Net Income	—	—	—
Net Other Comprehensive Loss	(866)	(9)	(875)
Balance at January 31, 2015	(714)	15	(699)
Other Comprehensive Loss	(269)	(7)	(276)
Amounts Reclassified to Net Income	—	—	—
Net Other Comprehensive Loss	(269)	(7)	(276)
Balance at January 31, 2016	$ (983)	$ 8	$ (975)

The amounts presented above in other comprehensive loss are net of taxes except for translation adjustments associated with our German subsidiary.

Note 10—Shareholders' Equity

During fiscal 2016, the Company did not repurchase any shares of its common stock except as described below in connection with the exercise of employee stock options.

During fiscal 2015, the Company repurchased 500,000 shares of the Company's common stock from the Estate of Albert W. Ondis for an aggregate purchase price of $6,250,000. Prior to entering into the Stock Purchase Agreement, the Company obtained an opinion from an independent investment banking firm as to the fairness, from a financial point of view, to the public shareholders of the Company other than the selling shareholders, of the consideration paid by the Company in the transaction. The purchase was funded using existing cash on hand. This transaction did not impact the number of shares authorized for repurchase under the Company's current repurchase program.

During fiscal 2016 and 2015, certain of the Company's employees delivered a total of 29,939 and 62,797 shares, respectively, of the Company's common stock to satisfy the exercise price and related taxes for stock options exercised and restriction stock vesting. The shares delivered were valued at a total of $420,000 and $889,000, respectively, and are included in treasury stock in the accompanying consolidated balance sheets at January 31, 2016 and 2015. These transactions did not impact the number of shares authorized for repurchase under the Company's current repurchase program.

As of January 31, 2016, the Company's Board of Directors has authorized the purchase of up to an additional 390,000 shares of the Company's common stock on the open market or in privately negotiated transactions.

Note 11—Share-Based Compensation

Astro-Med maintains the following share-based compensation plans:

Stock Plans:

Astro-Med has two equity incentive plans – the 2007 Equity Incentive Plan (the "2007 Plan") and the 2015 Equity Incentive Plan (the "2015 Plan"). Under these plans, the Company may grant incentive stock options, non-qualified stock options, stock appreciation rights, time or performance based restricted stock units (RSUs), restricted stock awards (RSAs), and other stock-based awards to executives, key employees, directors and other eligible individuals. At January 31, 2016, 106,347 shares were available for grant under the 2007 Plan, of which 100,000 are reserved for stock options that the Company is obligated to issue to its CEO in fiscal years 2017 and 2018 pursuant to an Equity Incentive Award Agreement dated as of November 24, 2014 (the "CEO Equity Incentive Agreement"). The 2007 Plan will expire in May 2017. The 2015 Plan was approved by the Company's shareholders at the 2015 annual meeting. The 2015 Plan authorizes the issuance of up to 500,000 shares (subject to adjustment for stock dividends and stock splits) and will expire in May 2025. At January 31, 2016, 234,264 shares were available for grant under the 2015 Plan. Options granted to date to employees under both plans vest over four years and expire after ten years. The exercise price of each stock option is established at the discretion of the Compensation Committee; however, any incentive stock options granted under the 2007 plan, and all options granted under the 2015 Plan, must be at an exercise price of not less than the fair market value of the Company's common stock on the date of grant.

Under the plans, each non-employee director receives an automatic annual grant of ten-year options to purchase 5,000 shares of stock upon the adjournment of each shareholders meeting. Each such option is exercisable at the fair market value of the Company's common stock as of the grant date, and vests immediately prior to the next succeeding shareholders' meeting. During the second quarter of fiscal 2016, 25,000 options in total were granted to the non-employee directors. In addition to the automatic option grant, the Company has a Non-Employee Director Annual Compensation Program (the "Program") which provides that each non-employee director is entitled to an annual cash retainer of $7,000 (the "Annual Cash Retainer"), plus $500 for each Board and committee meeting attended. In addition, the Chairman of the Board also receives an annual retainer of $6,000, and the Chairs of the Audit and Compensation Committees each receive an annual retainer of $4,000

("Chair Retainer"). The non-employee directors may elect, for any fiscal year, to receive all or a portion of the Annual Cash Retainer and/or Chair Retainer (collectively the "Cash Retainer") in the form of common stock of the Company, which will be issued under one of the Plans. If a non-employee director elects to receive all or a portion of the Cash Retainer in the form of common stock, such shares shall be issued in four quarterly installments on the first day of each fiscal quarter, and the number of shares of common stock to be issued shall be based on the fair market value of the Company's common stock on the date such installment is payable. The common stock received in lieu of such Cash Retainer is fully vested upon issuance. However, a non-employee director who receives common stock in lieu of all or a portion of the Cash Retainer may not sell, transfer, assign, pledge or otherwise encumber the common stock prior to the first anniversary of the date on which such shares were issuable. In the event of the death or disability of a non-employee director, or a change in control of the Company, any shares of common stock issued in lieu of the Cash Retainer, shall no longer be subject to such restrictions on transfer. During fiscal 2016 and 2015, 2,947 and 2,649 shares, respectively, were awarded to non-employee directors in lieu of the Cash Retainer.

In addition, under the Program, each non-employee director receives RSAs with a value equal to $20,000 (the "Equity Retainer") upon adjournment of each annual shareholders' meeting. If a non-employee director is first appointed or elected to the Board of Directors effective on a date other than the annual shareholders' meeting, on the date of such appointment or election the director shall receive a pro rata award of restricted common stock having a value based on the number of days remaining until the next annual meeting. The Equity Retainer will vest on the earlier of 12 months after the grant date or the date immediately prior to the next annual meeting of the shareholders following the meeting at which such RSAs were granted. However, a non-employee director may not sell, transfer, assign, pledge or otherwise encumber the vested common stock prior to the second anniversary of the vesting date. In the event of the death or disability of a non-employee director, or a change in control of the Company, the RSAs shall immediately vest and shall no longer be subject to such restrictions on transfer.

In March 2012 (fiscal year 2013), a portion of the Company's executives' long-term incentive compensation was awarded in the form of RSUs ("2013 RSUs"). The 2013 RSUs were earned based on the Company achieving specific thresholds of net sales and annual operating income as established under the fiscal 2013 Domestic Management Bonus Plan, and vested fifty percent on the first anniversary of the grant date and fifty percent on the second anniversary of the grant date, provided that the grantee was employed on each vesting date by Astro-Med or an affiliate company. All such 2013 RSUs were earned and vested as of March 2014.

In April 2013 (fiscal year 2014), the Company granted options and RSUs to officers ("2014 RSUs"). The 2014 RSUs vest as follows: twenty-five percent vest on the third anniversary of the grant date, fifty percent vest upon the Company achieving its cumulative budgeted net sales target for fiscal years 2014 through 2016 (the "Measurement Period"), and twenty-five percent vest upon the Company achieving a target average annual ORONA (operating income return on net assets as calculated under the Domestic Management Bonus Plan) for the Measurement Period. The grantee may not sell, transfer or otherwise dispose of more than fifty percent of the common stock issued upon vesting of the 2014 RSUs until the first anniversary of the vesting date. On February 1, 2014, the Company accelerated the vesting of 4,166 of the 2014 RSUs held by Everett Pizzuti in connection with his retirement. In April 2016, 9,300 of the 2014 RSUs will vest based on the Company achieving the targeted average annual ORONA for the Measurement Period and another 9,300 will vest due to the third year anniversary date of the grant.

In March 2015 (fiscal year 2016), the Company granted 50,000 options and 537 RSAs to its CEO pursuant to the CEO Equity Incentive Agreement, and 35,000 options to other key employees. The options and RSAs vest in four equal annual installments commencing on the first anniversary of the grant date.

In May 2015 (fiscal year 2016), the Company granted an aggregate of 80,000 time-based and 155,000 performance-based RSUs ("2016 RSUs") to certain officers of the Company. The time-based 2016 RSUs will vest in four equal annual installments commencing on the first anniversary of the grant date. The performance-based 2016 RSUs will vest over three years based upon the increase in net sales, if any, achieved each fiscal year relative to a three-year net sales increase goal. Performance-based 2016 RSUs that are earned based on organic

revenue growth will be fully vested when earned, while those earned based on revenue growth via acquisitions will vest annually over a three-year period following the fiscal year in which the revenue growth occurs. Any performance-based 2016 RSUs that have not been earned at the end of the three-year performance period will be forfeited. The expense for such shares is recognized in the fiscal year in which the results are achieved, however, the shares are not fully earned until approved by the Compensation Committee in the first quarter of the following fiscal year. Based upon revenue in fiscal 2016, 15,810 of the performance based 2016 RSUs will be earned in the first quarter of fiscal 2017.

Share-Based Compensation:

Share-based compensation expense has been recognized as follows:

	Years Ended January 31	
(In thousands)	2016	2015
Stock Options	$ 286	$ 234
Restricted Stock Awards and Restricted Stock Units	912	270
Employee Stock Purchase Plan	11	7
Total	$ 1,209	$ 511

Stock Options:

Aggregated information regarding stock options granted under the plans during the year ended January 31, 2016 is summarized below:

	Number of Shares	Option Price Per Share	Weighted-Average Option Price Per Share
Options Outstanding, January 31, 2015	656,011	$ 5.78-14.20	$ 10.01
Options Granted	115,000	$ 13.31-14.05	$ 13.95
Options Exercised	(93,344)	$ 6.22-11.90	$ 7.95
Options Forfeited	(5,550)	$ 8.09-14.20	$ 12.75
Options Cancelled	(14,181)	$ 6.22-14.20	$ 8.82
Options Outstanding, January 31, 2016	657,936	$ 5.78-14.20	$ 11.00
Options Exercisable, January 31, 2016	405,823	$ 5.78-14.20	$ 9.67

Set forth below is a summary of options outstanding at January 31, 2016:

	Outstanding			Exercisable	
Range of Exercise prices	Options	Weighted-Average Exercise Price	Remaining Contractual Life	Options	Weighted-Average Exercise Price
$5.78-8.95	253,036	$ 7.79	4.9	226,948	$ 7.76
$9.81-14.20	404,900	$ 13.01	6.9	178,875	$ 12.10
	657,936			405,823	

The fair value of each stock option granted was estimated on the grant date using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Years Ended January 31	
	2016	2015
Risk-Free Interest Rate	1.58%	1.58%
Expected Life (years)	5	5
Expected Volatility	22.68%	26.46%
Expected Dividend Yield	1.98%	1.98%

The weighted-average estimated fair value of options granted during fiscal 2016 and 2015 was $2.43 and $2.85, respectively. As of January 31, 2016, there was $437,000 of unrecognized compensation expense related to the unvested stock options granted under the plans. This expense is expected to be recognized over a weighted-average period of 2.3 years.

As of January 31, 2016, the aggregate intrinsic value (the aggregate difference between the closing stock price of the Company's common stock on January 31, 2016, and the exercise price of the outstanding options) that would have been received by the option holders if all options had been exercised was $2,442,000 for all exercisable options and $3,083,000 for all options outstanding. The weighted average remaining contractual term for these options was 6.1 years. The total aggregate intrinsic value of options exercised during fiscal 2016 and 2015 was $553,000 and $1,149,000, respectively.

Restricted Stock Units (RSUs) and Restricted Stock Awards (RSAs):

Aggregated information regarding RSUs and RSAs granted under the Plan is summarized below:

	RSAs & RSUs	Weighted-Average Grant Date Fair Value
Outstanding at January 31, 2015	72,245	$ 9.70
Granted	246,335	14.05
Vested	(22,692)	14.02
Expired or canceled	(2,800)	10.07
Outstanding at January 31, 2016	293,088	$ 13.02

As of January 31, 2016, there was $1,277,000 of unrecognized compensation expense related to unvested RSUs and RSAs. This expense is expected to be recognized over a weighted average period of 2.7 years.

Employee Stock Purchase Plan (ESPP):

Astro-Med's ESPP allows eligible employees to purchase shares of common stock at a 15% discount from fair market value on the date of purchase. A total of 247,500 shares were initially reserved for issuance under this plan. Summarized plan activity is as follows:

	Years Ended January 31	
	2016	2015
Shares Reserved, Beginning	57,005	60,242
Shares Purchased	(5,405)	(3,237)
Shares Reserved, Ending	51,600	57,005

Note 12—Income Taxes

The components of income before income taxes are as follows:

	Years Ended January 31	
(In thousands)	2016	2015
Domestic	$5,982	$5,401
Foreign	927	1,531
	$6,909	$6,932

The components of the provision for income taxes are as follows:

(In thousands)	Years Ended January 31 2016	2015
Current:		
Federal	$1,930	$1,666
State	470	466
Foreign	276	535
	2,676	2,667
Deferred:		
Federal	$ (402)	$ (290)
State	126	(107)
Foreign	(16)	—
	(292)	(397)
	$2,384	$2,270

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate of 34% in both fiscal 2016 and 2015 to income before income taxes due to the following:

(In thousands)	Years Ended January 31 2016	2015
Income Tax Provision at Statutory Rate	$2,349	$2,357
State Taxes, Net of Federal Tax Effect	277	233
Change in Valuation Allowance	116	—
Change in Reserves Related to ASC 740 Liability	(67)	23
Meals and Entertainment	38	41
Domestic Production Deduction	(134)	(164)
Share-Based Compensation	21	(25)
Tax-Exempt Income	(23)	(24)
R&D Credits	(176)	(135)
Foreign Rate Differential	(65)	(56)
Other Permanent Differences and Miscellaneous, Net	48	20
	$2,384	$2,270

The components of deferred income tax expense arise from various temporary differences and relate to items included in the statement of income. The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and liabilities are as follows:

(In thousands)	January 31 2016	2015
Deferred Tax Assets:		
Inventory	$1,948	$1,666
Share-Based Compensation	830	572
State R&D Credits	583	371
Compensation Accrual	346	417
ASC 740 Liability Federal Benefit	237	304
Deferred Service Contract Revenue	200	235
Warranty Reserve	149	140
Reserve for Doubtful Accounts	140	116
Foreign Tax Credit	426	356
Currency Translation Adjustment	36	—
Other	207	298
	5,102	4,475
Deferred Tax Liabilities:		
Accumulated Tax Depreciation in Excess of Book Depreciation	1,355	766
Deferred Gain on Asset Held for Sale	76	785
Currency Translation Adjustment	—	36
Other	117	87
	1,548	1,674
Subtotal	3,554	2,801
Valuation Allowance	(583)	(255)
Net Deferred Tax Assets	$2,971	$2,546

The valuation allowance at January 31, 2016 relates to state research and development tax credit carryforwards which are expected to expire unused. The change in the valuation allowance in 2016 was an increase of approximately $328,000 due to the generation of research and development credits during the current year and a decision to fully reserve for the state tax benefits of all R&D tax credits, net of federal benefit. The change in the valuation allowance in 2015 was a decrease of approximately $3,000 and represented a decrease in the reserve due to the utilization of research and development credits during the current year, net of federal benefit.

The Company reasonably believes that it is possible that some unrecognized tax benefits, accrued interest and penalties could decrease income tax expense in the next year due to either the review of previously filed tax returns or the expiration of certain statutes of limitation. The changes in the balance of unrecognized tax benefits, excluding interest and penalties are as follows:

(In thousands)	2016	2015
Balance at February 1	$ 707	$715
Increases in prior period tax positions	—	—
Increases in current period tax positions	49	87
Reductions related to lapse of statute of limitations	(165)	(95)
Balance at January 31	$ 591	$707

If the $591,000 is recognized, $354,000 would decrease the effective tax rate in the period in which each of the benefits is recognized and the remainder would be offset by a reversal of deferred tax assets.

During fiscal 2016 and 2015, the Company recognized a benefit of $87,000 and an expense of $43,000, respectively, related to change in interest and penalties, which are included as a component of income tax expense in the accompanying statements of income. At January 31, 2016 and 2015, the Company had accrued potential interest and penalties of $373,000 and $460,000, respectively.

The Company and its subsidiaries file income tax returns in U.S. federal jurisdictions, various state jurisdictions, and various foreign jurisdictions. The Company is no longer subject to U.S. federal tax examinations prior to fiscal year ended January 2013.

At January 31, 2016, the Company has indefinitely reinvested $4,207,000 of the cumulative undistributed earnings of its foreign subsidiary in Germany, all of which would be subject to U.S. taxes if repatriated to the U.S. Through January 31, 2016, the Company has not provided deferred income taxes on the undistributed earnings of this subsidiary because such earnings are considered to be indefinitely reinvested. Non-U.S. income taxes are, however, provided on these undistributed earnings.

Note 13—Contractual Obligations

The following table summarizes our contractual obligations:

(In thousands)	Total	2017	2018	2019	2020	2021 and Thereafter
Purchase Commitments*	$22,225	$22,123	$ 28	$ 4	$70	$ –
Operating Lease Obligations	668	300	251	103	14	–
	$22,893	$22,423	$279	$107	$84	$ –

* Purchase commitments consist primarily of inventory and equipment purchase orders made in the ordinary course of business.

The Company incurred rent and lease expenses in the amount of $567,000 and $614,000 for the fiscal years 2016 and 2015, respectively.

Note 14—Nature of Operations, Segment Reporting and Geographical Information

The Company's operations consist of the design, development, manufacture and sale of specialty printers and data acquisition and analysis systems, including both hardware and software and related consumable supplies. The Company organizes and manages its business as a portfolio of products and services designed around a common theme of data acquisition and information output. The Company has two reporting segments consistent with its sales product groups: QuickLabel and Test & Measurement (T&M).

QuickLabel produces an array of high-technology digital color and monochrome label printers, labeling software and consumables for a variety of commercial industries worldwide. T&M produces data recording equipment used worldwide for a variety of recording, monitoring and troubleshooting applications for many industries including aerospace, automotive, defense, rail, energy, industrial and general manufacturing.

Business is conducted in the United States and through foreign affiliates in Canada, Europe, Southeast Asia and Mexico. Manufacturing activities are primarily conducted in the United States. Sales and service activities

outside the United States are conducted through wholly-owned entities and, to a lesser extent, through authorized distributors and agents. Transfer prices are intended to produce gross profit margins as would be associated with an arms-length transaction.

On June 19, 2015, Astro-Med completed the asset purchase of the aerospace printer product line from RITEC. Astro-Med's aerospace printer product line is part of the T&M product group and is reported as part of the T&M segment. The Company began shipment of the RITEC products in the third quarter of the current fiscal year. Refer to Note 2, "Acquisition," for further details.

The accounting policies of the reporting segments are the same as those described in the summary of significant accounting policies herein. The Company evaluates segment performance based on the segment profit before corporate and financial administration expenses.

Summarized below are the Net Sales and Segment Operating Profit (both in dollars and as a percentage of Net Sales) for each reporting segment:

($ in thousands)	Net Sales		Segment Operating Profit		Segment Operating Profit % of Net Sales	
	2016	2015	2016	2015	2016	2015
QuickLabel	$67,127	$59,779	$ 9,300	$ 7,259	13.9%	12.1%
T&M	27,531	28,568	3,664	5,627	13.3%	19.7%
Total	$94,658	$88,347	12,964	12,886	13.7%	14.6%
Corporate Expenses			7,030	5,655		
Operating Income			5,934	7,231		
Other Income (Expense)			975	(299)		
Income before Income Taxes			6,909	6,932		
Income Tax Provision			2,384	2,270		
Net Income			$ 4,525	$ 4,662		

No customer accounted for greater than 10% of net sales in fiscal 2016 and 2015.

Other information by segment is presented below:

(In thousands)	Assets	
	2016	2015
QuickLabel	$27,143	$24,874
T&M	28,570	22,323
Corporate*	22,250	27,133
Total	$77,963	$74,330

* *Corporate assets consist principally of cash and cash equivalents, securities available for sale, and building held for sale .*

(In thousands)	Depreciation and Amortization		Capital Expenditures	
	2016	2015	2016	2015
QuickLabel	$ 690	$ 678	$ 2,284	$ 1,408
T&M	1,375	1,385	777	839
Total	$2,065	$2,063	$ 3,061	$ 2,247

Geographical Data

Presented below is selected financial information by geographic area:

(In thousands)	Net Sales		Long-Lived Assets*	
	2016	2015	2016	2015
United States	$68,316	$61,494	$15,290	$10,422
Europe	16,830	18,181	290	383
Canada	4,487	3,934	207	272
Asia	1,741	1,408	—	—
Central and South America	2,436	1,919	—	—
Other	848	1,411	—	—
Total	$94,658	$88,347	$15,787	$11,077

* Long-lived assets excludes goodwill assigned to the T&M segment of $4.5 million and $1.0 million at January 31, 2016 and 2015, respectively.

Note 15—Employee Benefit Plans

Employee Stock Ownership Plan (ESOP):

Astro-Med has an ESOP providing retirement benefits to all eligible employees. Annual contributions in amounts determined by the Company's Board of Directors are invested by the ESOP's Trustees in shares of common stock of Astro-Med. Contributions may be in cash or stock. Astro-Med did not make a contribution to the ESOP in fiscal 2016. The Company's contribution amounted to $100,000 in fiscal 2015 and was recorded as compensation expense. All shares owned by the ESOP have been allocated to participants.

Profit-Sharing Plan:

Astro-Med sponsors a Profit-Sharing Plan (the "Plan") which provides retirement benefits to all eligible domestic employees. The Plan allows participants to defer a portion of their cash compensation and contribute such deferral to the Plan through payroll deductions. The Company makes matching contributions up to specified levels. The deferrals are made within the limits prescribed by Section 401(k) of the Internal Revenue Code.

All contributions are deposited into trust funds. It is the policy of the Company to fund any contributions accrued. The Company's annual contribution amounts are determined by the Board of Directors. Contributions paid or accrued amounted to $306,000 and $294,000 in fiscal 2016 and 2015, respectively.

Note 16—Product Warranty Liability

Astro-Med offers a manufacturer's warranty for the majority of its hardware products. The specific terms and conditions of warranty vary depending upon the product sold and country in which the Company does business. For products sold in the United States, the Company provides a basic limited warranty, including parts and labor. The Company estimates the warranty costs based on historical claims experience and records a liability in the amount of such estimates at the time product revenue is recognized. The Company regularly assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Activity in the product warranty liability, which is included in other accrued expenses in the accompanying consolidated balance sheet, is as follows:

(In thousands)	January 31	
	2016	2015
Balance, beginning of the year	$ 375	$ 355
Warranties issued	887	546
Settlements made	(862)	(526)
Balance, end of the year	$ 400	$ 375

Note 17—Product Replacement Costs

In April 2013, tests conducted by the Company revealed that one of its suppliers had been using a non-conforming material in certain models of Astro-Med's Test & Measurement printers. No malfunctions have been reported by customers as a result of the non-conforming material.

Upon identifying this issue, Astro-Med immediately suspended production of the printers, notified all customers and contacted the supplier who confirmed the problem. Astro-Med is continuing to work with its customers to replace the non-conforming material on existing printers with conforming material. The estimated costs associated with the replacement program were $672,000, which was based upon the number of printers shipped during the period the non-conforming material was used. Those costs were recognized and recorded in the first quarter of fiscal 2014. As of January 31, 2016, the Company had expended $394,000 in replacement costs which have been charged against this reserve. The remaining reserve amount of $278,000 is included in other accrued expenses in the accompanying consolidated balance sheet as of January 31, 2016.

Since the supplier deviated from the agreed upon specifications for the power supply while providing certificates of conformance to the original specifications, Astro-Med received a non-refundable $450,000 settlement from the supplier in January 2014 for recovery of the costs and expense associated with this issue. In addition to this cash settlement, the Company will receive lower product prices from the supplier through fiscal 2017.

Note 18—Concentration of Risk

Credit is generally extended on an uncollateralized basis to almost all customers after review of credit worthiness. Concentration of credit and geographic risk with respect to accounts receivable is limited due to the large number and general dispersion of accounts which constitute the Company's customer base. The Company periodically performs on-going credit evaluations of its customers. The Company has not historically experienced significant credit losses on collection of its accounts receivable.

Excess cash is invested principally in investment grade government and state municipal securities. The Company has established guidelines relative to diversification and maturities that maintain safety of principal, liquidity and yield. These guidelines are periodically reviewed and modified to reflect changes in market conditions. The Company has not historically experienced any significant losses on its cash equivalents or investments.

During the years ended January 31, 2016 and 2015, one vendor accounted for 23.7% and 21.9% of purchases, and 16.7% and 55.1% of accounts payable, respectively.

Note 19—Commitments and Contingencies

Astro-Med is subject to contingencies, including legal proceedings and claims arising in the normal course of business that cover a wide range of matters including, among others, contract and employment claims; workers compensation claims; product liability; warranty and modification; and adjustment or replacement of component parts of units sold.

Direct costs associated with the estimated resolution of contingencies are accrued at the earliest date at which it is deemed probable that a liability has been incurred and the amount of such liability can be reasonably estimated. While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits, the Company believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on the consolidated financial position or results of operations. It is possible, however, that future results of operations for any particular future period could be materially affected by changes in our assumptions or strategies related to these contingencies or changes out of the Company's control.

Note 20—Fair Value Measurements

We measure our financial assets at fair value on a recurring basis in accordance with the guidance provided in ASC 820, "Fair Value Measurement and Disclosures," which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition, ASC 820 establishes a three-tiered hierarchy for inputs used in management's determination of fair value of financial instruments that emphasizes the use of observable inputs over the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that reflect management's belief about the assumptions market participants would use in pricing a financial instrument based on the best information available in the circumstances.

The fair value hierarchy is summarized as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities;
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Cash and cash equivalents; accounts receivables; line of credit receivable; accounts payable, note receivable, accrued compensation and other expenses; and income tax payable are reflected in the consolidated balance sheet at carrying value, which approximates fair value due to the short term nature of the these instruments.

Assets measured at fair value on a recurring basis are summarized below:

January 31, 2016 (In thousands)	Level 1	Level 2	Level 3	Total
Money market funds (included in cash and cash equivalents)	$4,340	$ –	$ –	$ 4,340
State and municipal obligations (included in securities available for sale)	–	10,376	–	10,376
Total	$4,340	$10,376	$ –	$14,716

January 31, 2015 (In thousands)	Level 1	Level 2	Level 3	Total
Money market funds (included in cash and cash equivalents)	$3,028	$ –	$ –	$ 3,028
State and municipal obligations (included in securities available for sale)	–	15,174	–	15,174
Total	$3,028	$15,174	$ –	$18,202

For our money market funds and state and municipal obligations, we utilize the market approach to measure fair value. The market approach is based on using quoted market prices for similar assets.

Non-financial assets such as goodwill, intangible assets, and property, plant and equipment are required to be measured at fair value only when an impairment loss is recognized. The Company did not record an impairment loss related to these assets during the period ended January 31, 2016.

Non-financial assets measured at fair value on a non-recurring basis are summarized below:

January 31, 2015 (In thousands)	Level 1	Level 2	Level 3
Asset Held for Sale	$ –	$1,900	$ –

Asset held for sale consisted of Astro-Med's former Grass facility in Rockland, Massachusetts which was being actively marketed for sale at January 31, 2015. In accordance with ASC 360, "Property, Plant and Equipment," assets held for sale are written down to fair value less cost to sell and as such, the Company recorded an impairment charge of $220,000 in fiscal 2015. In fiscal 2015, the impairment charge was included in other income (expense), other, net in the consolidated statement of income. The Company estimated the fair value of the Rockland facility using the market values for similar properties less the cost to sell. On October 29, 2015, the Company completed the sale of this facility for $1,800,000 in cash. The net cash proceeds received of $1,698,000 reflect closing costs and broker fees previously accrued. After considering reserved amounts, the net loss on the sale of $3,000 was recognized in the consolidated income statement for the period ended January 31, 2016.

ASTRO-MED, INC.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Description	Balance at Beginning of Year	Provision Charged to Operations	Deductions(2)	Balance at End of Year
Allowance for Doubtful Accounts(1):				
(In thousands)				
Year Ended January 31,				
2016	$ 343	$ 112	$ (51)	$ 404
2015	$ 370	$ 60	$ (87)	$ 343

(1) The allowance for doubtful accounts has been netted against accounts receivable as of the respective balance sheet dates.
(2) Uncollectible accounts written off, net of recoveries, also includes foreign exchange adjustment.

Exhibit 2.3

Execution Version

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

ASTRO-MED, INC.

AND

RUGGED INFORMATION TECHNOLOGY EQUIPMENT CORPORATION

AND THE SHAREHOLDERS THEREOF

DATED AS OF JUNE 18, 2015

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this " **Agreement** ") is entered into as of June 18th, 2015 (the " **Agreement Date** ") by and among, Astro-Med, Inc., a Rhode Island corporation (" **Purchaser** "), Rugged Information Technology Equipment Corporation, a California corporation (the " **Seller** ") and the Shareholders (as defined herein). The Purchaser, the Seller and the Shareholders are sometimes referred to collectively herein as the " **Parties** " or individually as a " **Party** ." The Parties agree as follows:

RECITALS

WHEREAS, the Seller's business includes a segment, referred to as the "Civil and Commercial Airborne Printer Business Unit", that designs, develops, and provides printer products, parts, consumables and services for aircraft, excluding aircraft owned or operated by a military entity (the " **Business** ");

WHEREAS, the Seller desires to sell to the Purchaser and the Purchaser desires to purchase from the Seller substantially all of the assets used in connection with the Business pursuant to the terms of this Agreement (the " **Transaction** ");

WHEREAS, in consideration of the direct and indirect benefits accruing to the Shareholders as the owners of the Seller, the Shareholders have agreed to be Parties to this Agreement and to make the covenants herein along with the Seller in order to induce the Purchaser to enter into this Agreement, without which inducement the Purchaser would not have entered into this Agreement;

WHEREAS, concurrently with the execution of this Agreement and as a material inducement to the willingness of the Purchaser to enter into this Agreement, the Seller and the Purchaser shall enter into the Transition Services Agreement (as defined below) to be effective upon the Closing Date; and

WHEREAS, the Purchaser and the Seller desire to make certain representations, warranties, covenants and agreements in connection with the Transaction.

NOW, THEREFORE , in consideration of the foregoing and the respective representations, warranties, and covenants and agreements contained in this Agreement, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions . As used in this Agreement, the following terms shall have the meanings indicated below.

" **Accounts Receivable** " means all of the Business' accounts receivable, including all trade accounts receivable and other rights to payment from customers of the Business, prepaid

expenses and advance payments made by, or on behalf of, the Seller, and the full benefit of all security for such accounts or rights to payment.

" **Affiliate** " of a specified Person means a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

" **Aviation Law** " means the laws or regulations relating to the regulation of the aviation industry applicable to the Business (as such laws are currently enforced or as interpreted as of the date of this Agreement and the Closing Date by existing, publicly available judicial and administrative decisions and regulations) in each market into which the Seller has sold any products relating to the Business, including without limitation the rules and regulations of the Federal Aviation Administration (" **FAA** ") and the European Aviation Safety Agency (" **EASA** ").

" **Business** " has the meaning set forth in the Recitals.

" **Closing Date Product Inventory Value** " means the value of Seller's Product Inventory on the books of Seller as of the close of business on the day immediately preceding the Closing Date, valued based on Seller's standard cost and net of reserves.

" **Code** " means the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated thereunder.

" **Confidential Information** " means proprietary and confidential business and other information of a party to this Agreement, including, without limitation, trade secrets, product specifications, data, know-how, formulae, processes, designs, sketches, graphs, drawings, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, supplier lists, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, and personal information, and existence and terms of this Agreement and the other Transaction Documents; provided however, Confidential Information shall not include information which: (a) the party receiving such information can show to have been in its possession prior to its receipt thereof from the other party without a breach of any obligation owed the other party; (b) is now or hereafter comes into the public domain through no fault of the receiving party; (c) may hereafter lawfully be obtained by the receiving party from a third party without obligation of confidentiality; or (d) is independently developed by personnel who have not had access to the Confidential Information of the other parties under this Agreement.

" **Consents** " means those third party consents required in connection with the consummation of the transactions contemplated by the Transaction Documents, as set forth on Schedule 3.2 .

" **Contract** " means any written or oral legally binding contract, agreement, instrument, commitment or undertaking of any nature (including leases, licenses, mortgages, notes, guarantees, sublicenses, subcontracts, letters of intent and purchase orders) as of the Agreement Date or as may hereafter be in effect.

“ **control** ” (including the terms “ **controlled by** ” and “ **under common control with** ”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of stock, as an officer, director, trustee or executor, by contract or otherwise.

“ **Current Assets** ” means, for purposes of this Agreement, Accounts Receivable and Product Inventory, but excludes cash and cash equivalents.

“ **Earnest Money Escrow Agreement** ” means that certain Escrow Agreement by and among Seller, Purchaser, and Well Fargo Bank, National Association, as escrow agent, pursuant to which Purchaser has deposited $600,000.00 into an escrow account.

“ **Earnest Money Escrow Funds** ” means all amounts held by Wells Fargo Bank, National Association in the Escrow Fund (as defined in the Earnest Money Escrow Agreement) pursuant to the terms of the Earnest Money Escrow Agreement.

“ **Escrow Cash** ” means a total amount equal to $750,000.00 to be deposited into the Escrow Account to be held by the Escrow Agent pursuant to the terms of the Escrow Agreement to secure the indemnification obligations set forth in Article VIII hereof.

“ **ERISA** ” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ **ERISA Affiliate** ” means any person or entity under common control with the Seller within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“ **GAAP** ” means United States generally accepted accounting principles applied on a consistent basis.

“ **Governmental Permits** ” means all licenses, franchises, permits, agreements, waivers and authorizations issued by any Governmental Entity.

“ **Governmental Entity** ” means any supranational, national, state, municipal, local or foreign government, any court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental or private body exercising any regulatory, Taxing or other governmental or quasi-governmental authority.

“ **Intellectual Property** ” means any and all worldwide industrial and intellectual property rights and all rights associated therewith, including all patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof, all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know how, technology, technical data, proprietary processes and formulae, specifications, customer lists and supplier lists, all industrial designs and any registrations and applications therefor, all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor, all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto, all

files, records and data, all schematics, all databases and data collections and all rights therein, all moral and economic rights of authors and inventors, however denominated, and any similar or equivalent rights to any of the foregoing, and all tangible embodiments of the foregoing.

" **knowledge** " means the actual knowledge of any of the Shareholders, executive officers or senior managerial employees of the Seller and the Business and any such knowledge that any such individual would obtain after the exercise of reasonable investigation.

" **Legal Requirement** " means any federal, state, foreign, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity and any orders, writs, injunctions, awards, judgments and decrees applicable to the Seller or to any of its respective assets or properties or to the Business.

" **Liabilities** " means debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable, known or unknown, asserted or unasserted, including those arising under any Legal Requirement and those arising under any Contract.

" **License Agreement** " means the license agreement, in the form attached hereto as Exhibit A , to be effective as of the Closing Date, pursuant to which Purchaser shall grant a license to Seller to use certain Intellectual Property transferred to Purchaser by Seller at Closing.

" **Lien** " means, with respect to any asset, any mortgage, deed of trust, pledge, lien, encumbrance, charge, security interest, collateral assignment, claim, charge, adverse claim of title, restriction or encumbrance of any kind in respect of such asset (including any restriction on (a) the voting of any security or the transfer of any security or other asset, (b) the receipt of any income derived from any asset, (c) the use of any asset, or (d) the possession, exercise or transfer of any other attribute of ownership of any asset).

" **Material Adverse Effect** " or " **Material Adverse Change** " means, with respect to any entity or with respect to the Business, as applicable, any change, event, violation, inaccuracy, circumstance or effect (each, an " **Effect** ") that, individually or taken together with all other Effects, and regardless of whether or not such Effect constitutes a breach of the representations or warranties made in this Agreement, is, or is reasonably likely to, (a) be or become materially adverse in relation to the near-term or longer-term condition (financial or otherwise), properties, assets (including Intellectual Property), liabilities, business, operations or results of operations of such entity and its subsidiaries, taken as a whole, or the Business, as applicable, or (b) materially impede or delay the consummation of the transactions contemplated by any Transaction Document in accordance with its terms and applicable Legal Requirements, except to the extent that any such Effect is caused directly by one or more of the following: (i) changes in general economic conditions, (ii) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii)

fluctuations in financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), or (iv) changes in United States generally accepted accounting principles (provided that, in the case of the foregoing clauses (i) through (iv), such Effect does not affect the Business disproportionately as compared to the Business' competitors).

" **Non-Compete Agreements** " means the Shareholder confidentiality, non-competition, and non-solicitation agreements to be executed by each of the Shareholders, in the form attached hereto as Exhibit B .

" **Ordinary Course of Business** " means, with respect to the Business, the ordinary course of business consistent with the Seller's past custom and practice (including with respect to quantity and frequency).

" **Person** " means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a Governmental Entity (or any department, agency, or political subdivision thereof).

" **Product Documentation** " means, collectively, all component maintenance manuals (**"CMMs"**), parts manufacturer approvals, service bulletins, airworthiness directives, instructions for continued air worthiness, overhaul manuals, standard practice manuals and other forms of technical data related to the Products.

" **Product Inventory** " means all Product inventory of the Seller to the extent used or held for use primarily in the Business, including all finished goods, sub-assemblies, works in process and raw materials (if any).

" **Product Inventory Value Certificate** " means a certificate, executed by an officer of the Seller, listing by category all Product Inventory as of the close of business on the day immediately preceding the Closing Date and the Closing Date Product Inventory Value.

" **Product Warranties** " means express product warranties made by the Seller relating to the repair or replacement of the Products.

" **Products** " means the products sold by the Business, including without limitation, all variants and configurations of (i) the RTP80xxx, and (ii) the RTP40xxx, including, without limitation, all configurations set forth on Schedule l.1(b) .

" **Securities Ac** t" means the Securities Act of 1933, as amended.

" **Seller IP Rights** " means any and all Intellectual Property included in or related to the Products, used by the Seller in the development of the Products or otherwise held, in-licensed or used in connection with the conduct of the Business as currently conducted or as currently proposed to be conducted by the Seller.

" **Seller IP Rights Agreements** " means any Contract governing the Seller IP Rights.

“ **Seller-Owned IP Rights** ” means (A) the Seller IP Rights that are owned or are purportedly owned by or exclusively licensed to the Seller; and (B) the Seller IP Rights that were developed for the Seller by full or part time employees or consultants of the Seller.

“ **Seller Registered Intellectual Property** ” means all United States, international and foreign: (A) patents and patent applications (including provisional applications); (B) registered trademarks, applications to register trademarks, intent-to-use applications, or other registrations or applications related to trademarks; (C) registered Internet domain names; (D) registered copyrights and applications for copyright registration; and (E) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded by any governmental authority owned by, registered or filed in the name of the Seller, in each case that is based upon the Seller IP Rights.

“ **Shareholders** ” means, collectively, the following shareholders of Seller: Carl C. Stella, J. Roger Lazar, Harry Alteri, Carl Vincent Stella, Dan Morge, and Al Ruemely.

“ **Tax** ” or “ **Taxes** ” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto, whether disputed or not.

“ **Tax Return** ” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“ **Third Party Intellectual Property Rights** ” means any Intellectual Property owned by a third party.

“ **Transaction Documents** ” means this Agreement, the Bill of Sale, the Assumption Agreement, the Transition Services Agreement, the License Agreement, the Escrow Agreement, the Non-Compete Agreements and all other assignments, certificates and documents to be executed and delivered in connection therewith.

“ **Transaction Expenses** ” means all third party fees and expenses incurred by the Seller in connection with this Agreement and the transactions contemplated hereby whether or not billed or accrued (including any fees and expenses of legal counsel and accountants, the maximum amount of fees and expenses payable to financial advisors, investment bankers and brokers of the Seller).

“ **Transition Services Agreement** ” means the transition services agreement pursuant to which the Seller shall provide certain manufacturing, engineering, quality control and regulatory services to the Purchaser relating to the production of the Products for a period of at least six (6) months following the Closing Date, in the form attached hereto as Exhibit C .

" **WARN Act** " means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. Section 2101 *et seq.* (1988), as amended.

1.2 Additional Defined Terms . For purposes of the Transaction Documents, the following terms have the meanings specified in the indicated Section of this Agreement:

Defined Term	Section
Acquired Assets	2.1(a)
Acquired Intellectual Property	2.1(a)(iv)
Additional Asset	2.8(b)
Agreement	Preamble
Agreement Date	Preamble
Allocation Statement	2.7(a)
Acquisition Proposal	5.17
Assumed Contracts	2.1(a)(iv)
Assumed Liabilities	2.1(c)(i)
Assumption Agreement	2.6(b)
Bill of Sale	2.6(a)
Business	Recitals
Business Employees	3.11
Claim	8.5(a)
Claims Period	8.5(b)
Closing	2.4
Closing Date	2.4
Closing Payment	2.2
Confidentiality Agreement	5.12(a)
Contested Claim	8.8(b)
Contributor	3.8(d)
Current Asset Schedule	3.10
Customer Consents	5.16
Excluded Assets	2.1(b)
Employee Liabilities	5.9(b)
Escrow Agent	2.5
Escrow Account	2.5
Escrow Agreement	2.5
Escrow Fund	8.1
Equipment	2.1(a)(iii)
ESS Process	3.9
Excluded Liabilities	2.1(c)(ii)
Fundamental Representations	8.2
Indemnifiable Damages	8.3
Indemnified Person	8.3
Indemnified Persons	8.3
Indemnity Threshold	8.3
Insurance Policy	3.19
Material Contracts	3.16

Military Printer Business	5.5
Notice of Claim	8.5(a)
Open Source Materials	3.8(i)
Party	Preamble
Property	3.13(a)(iv)
Purchase Price	2.2
Purchaser	Preamble
Restricted Area	5.5
Restricted Business	5.5
Restricted Period	5.5
RITEC Name	5.15(a)
RITEC Name Period	5.15(a)
Seller	Preamble
Seller Authorizations	3.4(b)
Seller Disclosure Letter	Article III
Seller Representative	9.11
Straddle Periods	5.10(b)
Third-Party Claim	8.5(a)(ii)
Transaction	Recitals
Transaction Taxes	5.10(a)
TSA End Date	5.16

ARTICLE II
THE TRANSACTION

2.1 Transaction .

(a) Purchase and Sale of Assets . On and subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase from the Seller, and the Seller agrees to sell, transfer, assign, and convey to the Purchaser, all right title and interest in and to all of the following assets (collectively, the " **Acquired Assets** "), in each case free and clear of all Liens, at the Closing for the consideration specified in Section 2.2 below:

(i) all samples, models and prototypes of the Products;

(ii) all machinery, equipment, tools, fixtures and other tangible assets used by the Seller exclusively in connection with the Business and such other machinery, equipment, tools, fixtures and other tangible assets used in the Business set forth on Schedule 2.1(ii) (the " **Equipment** ");

(iii) all of the Seller's rights to and interest in the Intellectual Property used in the Business, including without limitation, the Seller IP Rights set forth on Schedule 2.1(a)(iii) hereto (the " **Acquired Intellectual Property** ");

(iv) all rights of the Seller under those Contracts relating to the Business, as set forth on Schedule 2.1(a)(iv) hereto (collectively, the " **Assumed Contracts** ");

(v) fifty percent (50%) of each Account Receivable;

(vi) to the extent transferable under Legal Requirements, all Governmental Permits held by the Seller that relate to the operation of the Business, as set forth on Schedule 2.1(a)(vi) hereto;

(vii) to the extent transferable under Legal Requirements, copies of all books, records, files, and papers, whether in hard copy or computer format, related to the Business, including all bills of materials, routings, prints and drawings with respect to the Products, engineering information, specifications, technical notes and logs, user guides or documentation, implementation documentation, manuals, files, instructions, designs, listings, plans, diagrams, training, testing, sales, marketing, maintenance, support and test case databases, sales and promotional literature, web-site content, sales and purchase correspondence, lists of present and former suppliers (including supplier contact information), lists of present and former customers (including customer contact information), and any information relating to Taxes imposed on the Business or the Acquired Assets;

(viii) all rights of the Seller under any Contract between the Seller and any of its Affiliates, on the one hand, and any employee of the Seller or any such Affiliate, on the other, to the extent such Contract relates to the confidentiality, nondisclosure, assignment of proprietary rights or noncompetition obligations of the employee with respect to the Acquired Assets or the Business;

(ix) all of the Seller's rights, claims, credits, causes of action or rights of set-off against third parties relating to the Business, the Products or the Acquired Assets, including all rights to seek and obtain injunctive relief and to recover damages for past, present and future infringement of the Acquired Intellectual Property; and

(x) all intangible assets and goodwill of the Seller associated with the foregoing (including the Products).

(b) Excluded Assets . For the avoidance of doubt, the Acquired Assets shall not include, among other things, (i) all cash, bank deposits, investment accounts, lockboxes, certificates of deposit, marketable securities, bank accounts, corporate credit cards and other similar cash items of the Seller; (ii) the properties out of which the Business is currently conducted, (iii) the furniture utilized by the Seller in connection with the Business, (iv) the Product Inventory, (v) fifty percent (50%) of each Account Receivable, and (vi) those items set forth on Schedule 2.1(b) (collectively, the " **Excluded Assets** ").

(c) Assumption and Exclusion of Liabilities .

(i) Assumed Liabilities . Subject to the terms and conditions set forth in this Agreement, at the Closing, the Seller shall assign to the Purchaser, and the Purchaser shall assume and thereafter pay, perform and discharge when due, only the following Liabilities (the " **Assumed Liabilities** "): (A) any Assumed Contracts included in the Acquired Assets, to the extent that such Liabilities do not, in whole or in part, arise out of or relate to any matter or event which occurred before the Closing and do not arise out of or relate in any way to any breach or

violation by the Seller of, of default by the Seller under, the terms of any of the Assumed Contracts (with or without the passage of time or giving of notice); and (B) any Product Warranties, to the extent that such obligations and liabilities accrue or arise, either before or after the Closing Date, for reasons other than any breach, violation or default by the Seller of the terms of any Contract. Without limiting the foregoing, no liability for any Transaction Expenses of the Seller shall be included within Assumed Liabilities.

(ii) No Other Liabilities Assumed . Notwithstanding any provision in this Agreement, as a material consideration and inducement to the Purchaser to enter into this Agreement, the Seller will retain, and will be solely responsible for paying, performing and discharging when due, and the Purchaser will not assume or otherwise have any responsibility or liability for, any and all Liabilities of the Seller (whether now existing or hereafter arising) other than the Assumed Liabilities (the " **Excluded Liabilities** ").

2.2 Purchase Price . Upon the terms and subject to the conditions contained herein, the Purchaser agrees to pay to the Seller at the Closing Seven Million Five Hundred Thousand Dollars ($7,500,000) less the Closing Date Product Inventory Value (such difference, the " **Purchase Price** ") less the Escrow Cash (such difference, the " **Closing Payment** "), by delivery of cash payable by wire transfer or delivery of other immediately available funds.

2.3 Reserved .

2.4 The Closing . Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the " **Closing** ", with the date upon which the Closing occurs, sometimes referred to herein as the " **Closing Date** ") shall take place at the offices of Hinckley, Allen & Snyder LLP, 50 Kennedy Plaza, Providence, Rhode Island 02903, counsel for Purchaser, commencing at 10:00 a.m. local time on June 19, 2015 or, if later, the third business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself), or at such other place and on such other date as the Parties may mutually determine.

2.5 Escrow . On the Closing, the Purchaser, the Seller and Wells Fargo Bank, National Association, or such other financial institution selected by the Purchaser and reasonably acceptable to the Seller, who shall be appointed as the escrow agent for the Transaction (the " **Escrow Agent** "), shall enter into an Escrow Agreement substantially in the form of Exhibit D hereto (the " **Escrow Agreemen** t"), which will provide the terms and conditions for the release of the Escrow Cash on the day after the twelve (12) month anniversary of the Closing Date. On the day of the Closing, (i) the Earnest Money Escrow Funds shall be transferred from the Escrow Fund (as defined in the Earnest Money Escrow Agreement) to a new escrow account established in accordance with the terms of the Escrow Agreement (the " **Escrow Account** "), and (ii) the Purchaser shall deposit the Escrow Cash less the amount of the Earnest Money Escrow Funds transferred pursuant to the preceding clause (i) hereof with the Escrow Agent for deposit into the Escrow Account.

2.6 Certain Closing Deliveries of the Seller . At the Closing, (in addition to the Seller's and the Shareholders' delivery of the items, documents and certificates to be delivered by the Seller and the Shareholders at the Closing pursuant to Section 6.2), the Seller and the Shareholders will deliver or cause to be delivered to the Purchaser each of the following items:

(a) certified copy of the Current Assets Statement as of the close of business on the day immediately preceding the Closing Date, executed by an officer of the Seller;

(b) the Product Inventory Value Certificate;

(c) a bill of sale, in a form approved by Purchaser (the " **Bill of Sale** "), executed by the Seller;

(d) counterpart of an Assignment and Assumption Agreement, in a form approved by Purchaser (the **"Assumption Agreement** "), executed by the Seller;

(e) counterpart of the Transition Services Agreement executed by the Seller;

(f) such other bills of sale and instruments of conveyance and consents as shall be necessary, or reasonably requested by Purchaser, in order effectively to convey to Purchaser all of Seller's right, title and interest in and to the Acquired Assets;

(g) counterpart of the License Agreement, executed by the Seller;

(h) counterpart of the Escrow Agreement, executed by the Seller;

(i) counterparts of the Non-Compete Agreements, executed by each of the Shareholders; and

(j) a receipt for the Closing Payment, executed by the Seller.

2.7 Certain Closing Deliveries of the Purchaser . At the Closing, (in addition to the Purchaser's delivery of the items, documents and certificates to be delivered by the Purchaser at the Closing pursuant to Section 6.3), the Purchaser will deliver or cause to be delivered to the Seller each of the following items:

(a) the Closing Payment;

(b) counterpart of the Assumption Agreement, executed by the Purchaser;

(c) counterpart of the Escrow Agreement, executed by the Purchaser;

(d) counterpart of the Transition Services Agreement, executed by the Purchaser;

(e) counterpart of the License Agreement, executed by the Purchaser; and

(e) counterparts of the Non-Compete Agreements, executed by the Purchaser.

2.8 Allocation

(a) The Purchaser and the Seller shall jointly and in good faith determine and prepare an allocation of the Purchase Price (and all other capitalized costs) among the Acquired Assets in accordance with Code Section 1060 and Treasury regulations thereunder (and any similar provision of state, local or foreign law, as appropriate), which allocation shall be binding upon the Purchaser and the Seller, and shall be prepared within sixty (60) days after the Closing Date (the " **Allocation Statement** "). The Purchaser and the Seller and their respective Affiliates shall report, act, and file Tax Returns (including, but not limited to Internal Revenue Service Form 8594) in all respects and for all purposes consistent with the Allocation Statement prepared by the Purchaser and the Seller. Neither the Seller nor the Purchaser shall take any position (whether in audits, tax returns, or otherwise) that is inconsistent with the Allocation Statement unless required to do so by applicable law.

(b) The Purchaser and the Seller each agree to provide the other Party with any additional information reasonably required to complete IRS Form 8594 (or any similar forms required to be filed under applicable law).

(c) The Purchaser and the Seller will (i) promptly inform the other Party of any challenge by any Governmental Entity to the Allocation Statement, (ii) consult with and keep each other informed with respect to the status of, and any discussion, proposal or submission with respect to, such challenge and (iii) cooperate in good faith in responding to such challenge in order to preserve the effectiveness of the Allocation Statement.

2.9 Method of Delivery; Transfer Taxes; Additional Assets .

(a) At the Closing, the Seller shall deliver or cause to be delivered to the Purchaser or an Affiliate of the Purchaser, as applicable, all of the Acquired Assets, which shall be delivered to the Purchaser at Purchaser's principal office, or such other location as is mutually agreed by the Purchaser and Seller, in the form to be determined by the Purchaser in its reasonable discretion on or before the Closing Date; provided , however , (i) that to the extent practicable, the Seller shall deliver all of the Acquired Assets through electronic delivery or in another manner reasonably calculated and legally permitted to minimize or avoid the incurrence of transfer and sales Taxes if such method of delivery does not adversely affect the condition, operability or usefulness of any Acquired Assets, and (ii) that to the extent that certain physical assets included in the Acquired Assets are required to be used by Seller in connection with its duties and obligations under the Transition Services Agreement, the delivery of such physical assets to Purchaser may be delayed until such time as such assets are no longer needed by Seller in connection with the Transition Services Agreement, as mutually agreed by Seller and Purchaser (but in no event shall any such physical assets be delivered to Purchaser more than ten (10) days after the TSA End Date). The physical assets shall be delivered to Purchaser in accordance with the delivery instructions determined by Purchaser in its reasonable discretion. The Seller will pay any costs and expenses associated with crating, packaging, and otherwise preparing the physical assets for delivery to Purchaser. The Purchaser will pay all costs and

expenses associated with the transport and delivery of the physical assets to the designated location(s). The Seller will pay all sales, transfer, bulk sales, stamp, income, capital gains, use or other Taxes associated with the transactions contemplated by this Agreement.

(b) If, after the Closing, the Purchaser shall in good faith identify in writing to the Seller any asset related to the Business that existed at the Closing Date and which satisfied the definition of Acquired Asset, excluding cash, but which was not included in the Acquired Assets delivered to the Purchaser at the Closing (any such asset, an " **Additional Asset** "), then the Seller shall, sell, transfer, convey, assign and deliver, or cause to be sold, transferred, conveyed, assigned and delivered, to the Purchaser after the Closing, without any further payment by the Purchaser, all of the Seller's right, title and interest in and to such Additional Asset. Delivery of any Additional Assets shall be at the Seller's cost and expense.

2.10 Assignment of Contracts and Rights . Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Contract or Governmental Permit if an attempted assignment or transfer thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or would be ineffective with respect to any party thereto. As to any such Contract or Governmental Permit so designated in writing by the Purchaser, the Seller and the Purchaser will use commercially reasonable efforts to obtain prior to the Closing or as promptly as practicable after the Closing the consent of the other parties to such Contract or Governmental Permit or, alternatively, written confirmation from such parties reasonably satisfactory to the Purchaser that such consent is not required, it being understood that (i) neither the Seller, the Purchaser nor any of their respective Affiliates shall be required to pay money to any third party, commence any litigation or offer or grant any accommodation (financial or otherwise) to any third party and (ii) to the extent the foregoing shall require any action by the Seller that would, or would continue to, affect the Business after the Closing, such action shall require the prior written consent of the Purchaser. If such consent is not obtained, or if an attempted assignment thereof would be ineffective or would adversely affect the rights thereunder so that the Purchaser would not in fact receive all such rights, the Purchaser and the Seller shall cooperate in a mutually agreeable arrangement pursuant to which the Purchaser would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including subcontracting or sublicensing to the Purchaser, or pursuant to which the Seller would enforce for the benefit of the Purchaser, with the Purchaser assuming the Seller's obligations and any and all rights of the Seller against a third party thereto. The Seller shall promptly pay to the Purchaser when received all monies received by the Seller with respect to any Assumed Contract or any claim or right or any benefit arising thereunder relating to the period on or after the Closing Date.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER AND SHAREHOLDERS

Subject to the disclosures set forth in the disclosure letter of the Seller delivered to the Purchaser concurrently with the Parties' execution of this Agreement (the " **Seller Disclosure Letter** ") (each of which disclosures, in order to be effective, shall clearly indicate the Subsection of this Article III to which it relates and each of which disclosures shall also be deemed to be representations and warranties made under this Article III), the Seller represents and warrants to

the Purchaser that as of the date of this Agreement and as of the Closing Date the statements set forth in this Article III are true and correct:

3.1 Incorporation, Authority and Ownership . The Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of California and has all necessary corporate power and authority to enter into the Transaction Documents, to carry out and perform its obligations hereunder and thereunder and to consummate all of the transactions contemplated hereby and thereby. The execution, delivery and performance by the Seller and each Shareholder of the Transaction Documents, and the sale of the Acquired Assets to the Purchaser and consummation of all the transactions contemplated thereby on the terms and conditions set forth therein, have been duly and validly authorized by the Seller's Board of Directors and the Shareholders, representing all necessary corporate action on the part of the Seller and the Shareholders. This Agreement has been, and at the Closing all other Transaction Documents will be, duly and validly executed and delivered by the Seller and each Shareholder, and (assuming due authorization, execution and delivery by the Purchaser) this Agreement constitutes and, upon the execution of each of the other Transaction Documents by the parties thereto, such documents will constitute, legal, valid and binding obligations of the Seller and each Shareholder, enforceable against the Seller and each Shareholder in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, moratorium, reorganization and other laws affecting the enforcement of creditors' rights generally and by general principles of equity. Each shareholder of Seller holds of record the number of shares of the Seller set forth next to such shareholder's name on Schedule 3.1 of the Seller Disclosure Letter, which shares collectively constitute all of the issued and outstanding capital stock of Seller.

3.2 Non-contravention; Consents; and Approvals . Except as set forth on Schedule 3.2 of the Seller Disclosure Letter, the execution, delivery and performance of the Transaction Documents by the Seller and the Shareholders, does not and will not: (i) conflict with or violate the Articles of Incorporation or By-laws of the Seller; (ii) conflict with or violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award applicable to the Seller, any Shareholder or the Acquired Assets; (iii) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to others any rights of termination, rescission, amendment, acceleration or cancellation of, any of the Assumed Contracts or any material note, bond, mortgage, indenture, Contract, agreement, lease, license, permit, franchise or other instrument relating to the Seller, any Shareholder or any of the Acquired Assets to which the Seller or any Shareholder is a party or is bound or by which any of the Acquired Assets are bound or affected; or (iv) result in the creation of any Lien on any of the Acquired Assets. Except as set forth on Schedule 3.2 , the execution and delivery of the Transaction Documents by the Seller and the Shareholders does not, and the performance of the Transaction Documents by the Seller and each Shareholder (including the Seller's assignment of any Assumed Contracts to the Purchaser) will not, require any consent, the approval, authorization or other action by, or filing with or notification to, any third party, including but not limited to any Governmental Entity.

3.3 Title to and Condition of Acquired Assets . The Seller owns all the Acquired Assets, and the Seller has good and marketable title in and to all the material tangible property included in the Acquired Assets, free and clear of all Liens. Except as set forth on Schedule 3.3

of the Seller Disclosure Letter, none of the Acquired Assets is licensed from any third party and none of the Acquired Assets is licensed to any third party. All of the "Production Assets" identified in Schedule 2.1(a)(ii) are in good working condition and repair, ordinary wear and tear excepted. Title to all the Acquired Assets is freely transferable from the Seller to the Purchaser free and clear of all Liens without obtaining the consent or approval of any Person or party (other than as set forth on Schedule 3.2).

3.4 Legal Compliance .

(a) The Seller has complied in all material respects with, and is not in violation of, and has not received any notices of violation with respect to, any Legal Requirement (including without limitation all Aviation Laws) with respect to the conduct of the Business, and the ownership or operation of the Acquired Assets. Neither the Seller, nor any director, officer, Shareholder, Affiliate or employee of the Seller (in their capacities as such or relating to their employment, services or relationship with the Seller), has given, offered, paid, promised to payor authorized payment of any money, any gift or anything of value, with the purpose of influencing any act or decision of the recipient in his or her official capacity or inducing the recipient to use his or her influence to affect an act or decision of a government official or employee, to any (i) governmental official or employee, (ii) political party or candidate thereof, or (iii) Person while knowing that all or a portion of such money or thing of value would be given or offered to a governmental official or employee or political party or candidate thereof.

(b) The Seller has obtained each federal, state, county, local or foreign governmental consent, license, permit, grant, or other authorization of a Governmental Entity (including without limitation as required under applicable Aviation Laws) (i) pursuant to which the Seller currently operates or holds any interest in any of the Acquired Assets or (ii) that is required for the operation of the Business or the holding of any such interest (all of the foregoing consents, licenses, permits, grants, and other authorizations, collectively, the " **Seller Authorizations** "), and all of the Seller Authorizations are in full force and effect. The Seller has not received any notice or other communication from any Governmental Entity regarding (i) any actual or possible violation of law or the Seller Authorization or any failure to comply with any term or requirement of the Seller Authorization, or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of the Seller Authorization. The Seller has complied with all of the terms of the Seller Authorizations.

(c) All Product Documentation complies in all respects with all Legal Requirements (including without limitation as required under applicable Aviation Laws) and all design, manufacturing and/or engineering changes to the Products have been approved in compliance with all applicable Legal Requirements (including without limitation as required under applicable Aviation Laws) and all such changes are accurately reflected in the Product Documentation. The parts lists for each Product included in the CMMs correspond with the bill of materials for each such Product.

3.5 Governmental Permits . Schedule 3.5 of the Seller Disclosure Letter sets forth each Governmental Permit held or used by the Seller in connection with the Business. Each

Governmental Permit to be assigned to or assumed by the Purchaser pursuant to the Transaction Documents is in full force and is not subject to any breach or default thereunder by any party thereto.

3.6 Litigation . There is no private or governmental action, suit, proceeding, claim, arbitration, mediation or investigation pending before any Governmental Entity, or threatened against the Seller relating to the Business or any of the Acquired Assets or any of the Seller's directors, officers, Shareholders, or employees relating to their employment, services or relationship with the Business. There is no judgment, decree, injunction, rule or order against, or continuing investigation by any Governmental Entity regarding, the Seller relating to the Business, any of the Acquired Assets or, to the Seller's knowledge, any of the Seller's directors, officers, Shareholders, or employees relating to their employment, services or relationship with the Business. Except as set forth on Schedule 3.6 of the Seller Disclosure Letter, there is no reasonable basis for any Person to assert a claim against the Seller, the Shareholders or any of the Acquired Assets based upon: (a) the Seller and the Shareholders entering into the Transaction Documents or any of the other transactions or agreements contemplated hereby; (b) any confidentiality or similar agreement entered into by the Seller or any Shareholder regarding the Acquired Assets; or (c) any claim that the Seller any Shareholder has agreed to sell or dispose of the Acquired Assets to any party other than the Purchaser, whether by way of merger, consolidation, sale of assets or otherwise. The Seller has no action, suit, proceeding, arbitration, mediation or claim pending by it against any other Person relating to the Acquired Assets.

3.7 Brokers . No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by the Transaction Documents based upon arrangements made by or on behalf of the Seller or its Affiliates.

3.8 Intellectual Property .

(a) The Seller has full title and ownership of, or has the valid right or license to, all Seller IP Rights. Except for the Seller IP Rights, no other Intellectual Property is required for the conduct of the Business as currently conducted, without the need for any license from any Person, except as set forth on Schedule 3.8(a) of the Seller Disclosure Letter. The Seller has not transferred ownership of, or agreed to transfer ownership of, or granted or agreed to grant any exclusive license to, the Seller IP Rights to any third party, except the Purchaser.

(b) The Seller owns and has good and exclusive title to each item of Seller-Owned IP Rights, free and clear of any Liens.

(c) Schedule 3.8(c) of the Seller Disclosure Letter lists: (i) all Seller Registered Intellectual Property, including the owner of each item of Seller Registered Intellectual Property and the jurisdictions in which it has been issued or registered or in which any application for such issuance and registration has been filed, or in which any other filing or recordation has been made; and (ii) all actions that are required to be taken by the Seller within 120 days of the Agreement Date with respect to such Seller Registered Intellectual Property in order to avoid prejudice to, impairment or abandonment of such Seller Registered Intellectual

Property. Each item of Seller Registered Intellectual Property is subsisting (or in the case of applications, applied for), valid and enforceable. Each item of Seller Registered Intellectual Property has been filed, prosecuted, and maintained in a commercially reasonable manner and is in good administrative standing, and all filings, payments and other actions required to be made or taken by the Seller before the date of this Agreement to maintain the Seller Registered Intellectual Property have been made and/or taken. None of the Seller Registered Intellectual Property is currently involved in any interference, inventorship dispute, reissue, reexamination, opposition proceeding, or cancellation proceeding, and the Seller has not received any written notice from any Person regarding any such proceeding. No Person, other than the Seller, has the right to prosecute or enforce the Seller Registered Intellectual Property.

(d) No (i) government funding; (ii) facilities of a university, college, other educational institution or research center; or (iii) funding from any Person was used in the development of the Seller-Owned IP Rights. No current or former employees, consultants, independent contractors, directors and advisors who independently or jointly contributed to or participated in the conception, reduction to practice, creation or development of the Seller IP Rights (each a " **Contributor** ") has performed services for any government, university, college or other educational institution or research center during a period of time during which such Contributor was also performing services for the Seller.

(e) The Seller has secured from all Contributors unencumbered and unrestricted exclusive ownership of all Seller IP Rights in such contribution that the Seller does not already own by operation of law and has obtained the waiver of all non-assignable rights. Without limiting the foregoing, the Seller has obtained written proprietary information and invention disclosure and assignment agreements from all Contributors.

(f) The Seller has taken reasonable steps, consistent with industry standards, to protect the secrecy and confidentiality of all Seller IP Rights.

(g) To the best of Seller's Knowledge, there is no unauthorized use, unauthorized disclosure, infringement or misappropriation of the Seller-Owned IP Rights or breach of a Seller IP Rights Agreement, by any third party. The Seller has not brought any action, suit or proceeding for infringement or misappropriation of any Intellectual Property, or threatened to do any of the foregoing. Neither the development or use of the Acquired Assets nor the operation of the Business has infringed or misappropriated the Intellectual Property of any third party and there is no reasonable basis for a claim that the development or use of the Acquired Assets or the operation of the Business is infringing or has infringed on or misappropriated any Intellectual Property of a third party. The Seller has not been sued in any suit, action or proceeding (or received any notice or, to the knowledge of the Seller, threat) which involves a claim of infringement or misappropriation of any Intellectual Property of any third party or which contests the validity, ownership or right of the Seller to own or exercise any Intellectual Property. No Seller-Owned IP Rights, Seller Registered Intellectual Property or Product is subject to any proceeding, order, judgment, settlement agreement, stipulation or right that restricts in any manner the use, transfer, or licensing thereof by the Seller, or which may affect the validity, use or enforceability of any such Seller-Owned IP Rights or Seller Registered Intellectual Property.

(h) The Seller is not (nor will be as a result of the execution and delivery or effectiveness of the Transaction Documents or the performance of the Seller's obligations under the Transaction Documents), in breach of the Seller IP Rights Agreement and the consummation of the transactions contemplated by this Agreement will not result in, or give any Person the right to cause (i) any modification, cancellation, termination, suspension of, or acceleration or increase of any payments under the Seller IP Rights Agreement, (ii) a loss of, or Lien on, the Seller IP Rights; or (iii) the grant, assignment or transfer to any Person of any license or other right or interest to the Seller IP Rights.

(i) Schedule 3.8(i) of the Seller Disclosure Letter lists all software or other material that is distributed as "free software", "open source software" or under similar licensing or distribution terms (" **Open Source Materials** ") used by the Seller in the Business in any way, and describes the manner in which such Open Source Materials were used (such description shall include whether (and, if so, how) the Open Source Materials were modified and/or distributed by the Seller). The Seller is in compliance with the terms and conditions of all licenses for the Open Source Materials.

(j) The Seller has not (i) incorporated Open Source Materials into, or combined Open Source Materials with, the Seller Intellectual Property Rights or any of the Products; (ii) distributed Open Source Materials in conjunction with the Seller Intellectual Property Rights or any of the Products; or (iii) used Open Source Materials, in such a way that, with respect to (i), (ii), or (iii), creates, or purports to create obligations for the Seller with respect to the Seller Intellectual Property Rights or grant, or purport to grant, to any third party, any rights or immunities under the Seller Intellectual Property Rights (including using any Open Source Materials that require, as a condition of use, modification and/or distribution of such Open Source Materials that other software incorporated into, derived from or distributed with such Open Source Materials be (A) disclosed or distributed in source code form, (B) be licensed for the purpose of making derivative works, or (C) be redistributable at no charge).

3.9 Product Warranties; Defects .

(a) Each Product is in conformity with all applicable contractual commitments and all express warranties made by the Seller and, to the best Knowledge of the Seller, there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against any such contractual commitments or express warranties for replacement or repair thereof or other damages in connection therewith. Except as set forth on Schedule 3.9(a) of the Seller Disclosure Letter, there have been no warranty actions, complaints, claims, or demands for replacement or repair of the Products or other damages in connection therewith during the past five (5) years.

(b) No Product is subject to any guaranty, warranty, or other indemnity beyond the Seller's applicable standard terms and conditions of sale, lease or licensing, as set forth on Schedule 3.9(b) of the Seller Disclosure Letter, or beyond that imposed by Legal Requirements.

(c) Schedule 3.9(c) of the Seller Disclosure Letter sets forth a list of all material Product failures, defects, and flaws that were identified or addressed by Seller during the manufacturing and repair process and environmental stress screening process (" **ESS Process** ") during the past five (5) years. Except as disclosed on Schedule 3.9(c) , Seller has complied with each ESS Process utilized by Seller to fulfill its obligations on each of the Material Contracts through the Agreement Date.

3.10 Business Information Schedules; Accounts Receivable .

(a) The Seller has delivered to the Purchaser (i) a schedule of Current Assets of the Business, listing all Accounts Receivable and Product Inventory of the Business (the " **Current Asset Schedule** "), as of May 31, 2015; (ii) a schedule of revenues from the Business for the year ended December 31, 2014 and the five months ended May 31, 2015, and (iii) the bills of materials for the Products (the items in clauses (i)-(iii) of this Section 3.10(a) collectively referred to as, the " **Business Information Schedules** "), copies of which are included in Schedule 3.10(a) of the Seller Disclosure Letter. The Business Information Schedules fairly and accurately present in all material respects the material set forth there therein and have been prepared by Seller's management in good faith.

(b) The Accounts Receivable shown on the Current Assets Schedule arose from bona fide transactions in the Ordinary Course of Business. The Accounts Receivable of the Business arising after May 31, 2015 and before the Closing Date arose or will arise in the Ordinary Course of Business. None of the Accounts Receivable of the Business is subject to any material claim of offset, recoupment, setoff or counterclaim, and the Seller has no knowledge of any specific facts or circumstances (whether asserted or unasserted) that could give rise to any such claim. No material amount of Accounts Receivable of the Business is contingent upon the performance by the Seller of any obligation or Contract other than normal warranty repair and replacement. Except as set forth on Schedule 3.10(b)(i) of the Seller Disclosure Letter, no Person has any Lien on any of such Accounts Receivable, and no agreement for deduction or discount has been made with respect to any of such Accounts Receivable. Schedule 3.10(b)(ii) of the Seller Disclosure Letter sets forth the amounts of Accounts Receivable of the Business which are subject to asserted warranty claims by customers and reasonably detailed information regarding asserted warranty claims made during the twelve (12) months preceding the Agreement Date, including the type and amounts of such claims.

(c) The five-year sales forecasts (units and dollars) and related gross margins associated with the Business, attached hereto as Schedule 3.10(c) , have been prepared by Seller's management in good faith and are based on existing Contracts and the assumptions used in preparing such sales forecasts are reasonable.

3.11 Employees and Contractors . Schedule 3.11 of the Seller Disclosure Letter contains a complete and accurate list of the current employees and contractors of the Seller who are providing services to the Business as of the Agreement Date, along with their status as either an employee or independent contractor and their title (" **Business Employees** "). Schedule 3.11 of the Seller Disclosure Letter sets forth a complete and accurate list of all written Contracts (if any) related to any Business contractors.

3.12 Employee Benefits Plans . The Acquired Assets are not now nor will they after the passage of time be subject to any Lien imposed under Code Section 412(n) by reason of the failure of the Seller or any ERISA Affiliates to make timely installments or other payments required by Code Section 412.

3.13 Reserved .

3.14 Export Control Laws . The Seller has conducted its export transactions with respect to the Business in accordance in all respects with applicable provisions of United States export control laws and regulations, including but not limited to the Export Administration Act and implementing Export Administration Regulations. Without limiting the foregoing, with respect to the Business:

(a) the Seller has obtained all export licenses and other approvals required for its exports of products, software and technologies from the United States;

(b) the Seller is in compliance with the terms of all applicable export licenses or other approvals;

(c) there are no known pending or threatened claims against the Seller with respect to such export licenses or other approvals;

(d) to the best of Seller's Knowledge, there are no actions, conditions or circumstances pertaining to the Seller's export transactions that would reasonably be expected to give rise to any future claims; and

(e) no consents or approvals for the transfer of export licenses to the Purchaser are required, except for such consents and approvals that can be obtained expeditiously without material cost.

3.15 Books and Records . The Seller has provided to the Purchaser or its counsel complete and correct copies of all documents identified on the Seller Disclosure Letter. The books, records and accounts of the Business (i) are true, correct and complete in all material respects, (ii) have been maintained in accordance with reasonable business practices on a basis consistent with prior years, (iii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets and properties of the Seller with respect to the Business.

3.16 Material Contracts . Schedules 3.16(a)(i) through (a) (xviii) of the Seller Disclosure Letter set forth a list of each of the following Contracts, assignments, obligations or other instruments to which the Seller or any Subsidiary is a party and which relates to the Business or any of the Acquired Assets (the " **Material Contracts** "):

(i) any Contract for the licensing, marketing, distribution or provision of any of the Acquired Assets, including any license, sublicense or other Contract to which the Seller is a party and pursuant to which any Person is authorized to use any Acquired Assets;

(ii) any Contract providing for payments (whether fixed, contingent or otherwise) by or to the Seller in an aggregate amount of $15,000 or more;

(iii) any Contract providing for the development of any software, content (including textual content and visual, photographic or graphics content), technology or Intellectual Property, independently or jointly by or for (or for the benefit or use of) the Seller;

(iv) any joint venture Contract, any Contract that involves a sharing of revenues, profits, cash flows, expenses or losses with other Persons or any Contract that involves the payment of royalties to any other Person;

(v) any Contract with a Business Employee that is not immediately terminable by the Seller without cost or liability, including any Contract requiring it to make a payment to a Business Employee on account of the Transaction or any other transaction contemplated by this Agreement or any Contract that is entered into in connection with this Agreement;

(vi) any Contract limiting the freedom of the Seller to engage or participate, or compete with any other Person, in any line of business, market or geographic area, or to make use of any Intellectual Property, or any Contract granting most favored nation pricing, exclusive sales, distribution, marketing or other exclusive rights, rights of refusal, rights of first negotiation or similar rights and/or terms to any Person, or any Contract otherwise limiting the right of the Seller to sell, distribute or manufacture any products or services or to purchase or otherwise obtain any software, components, parts, subassemblies or services;

(vii) other than "shrink wrap" and similar generally available commercial end-user licenses to software that is not redistributed with or used in the development of the Products that have an individual acquisition cost of $5,000 or less, all licenses, sublicenses and other Contracts to which the Seller is a party and pursuant to which the Seller acquired or is authorized to use any Third Party Intellectual Property Rights;

(viii) any license, sublicense or other Contract to which the Seller is a party and pursuant to which any Person is authorized to use the Seller IP Rights;

(ix) any license, sublicense or other Contract pursuant to which the Seller has agreed to any restriction on the right of the Seller to use or enforce the Seller IP Rights or pursuant to which the Seller agrees to encumber, transfer or sell rights in or with respect to the Seller IP Rights;

(x) any Contract to license or authorize any third party to manufacture or reproduce any of the Products;

(xi) any agreement of indemnification or warranty or any Contract containing any support, maintenance or service obligation or cost on the part of the Seller;

(xii) any Contract with any labor union or any collective bargaining agreement or similar Contract with Business Employees;

(xiii) any Contract pursuant to which the Seller, since January 1, 2005, has acquired a business or entity, or assets of a business or entity, whether by way of merger, consolidation, purchase of stock, purchase of assets, license or otherwise, or any Contract pursuant to which it has any material ownership interest in any other Person;

(xiv) any settlement agreement;

(xv) any Contract pursuant to which rights of any third party are triggered or become exercisable, or under which any other consequence, result or effect arises, in connection with or as a result of the execution of this Agreement or the consummation of the Transaction or other transactions contemplated hereunder, either alone or in combination with any other event;

(xvi) any Contract with any Governmental Entity;

(xvii) any confidentiality, secrecy or non-disclosure Contract other than any such Contract entered into with customers and distributors in the Ordinary Course of Business; and

(xviii) any other Contract or obligation not listed in clauses (i) through (xviii) that is material to the Seller or the Business or the Acquired Assets.

3.17 No Default . The Seller has performed all of the obligations required to be performed by it and is entitled to all benefits under, is not alleged to be in default in respect of, any Material Contract or any Assumed Contract. Each of the Material Contracts and the Assumed Contracts is in full force and effect, subject only to the effect, if any, of applicable bankruptcy and other similar laws affecting the rights of creditors generally and rules of law governing specific performance, injunctive relief and other equitable remedies. There exists no default or event of default or event, occurrence, condition or act, with respect to the Seller or to the Seller's knowledge, with respect to any other contracting party, which, with the giving of notice, the lapse of time or the happening of any other event or condition, would reasonably be expected to (i) become a default or event of default under any Material Contract or any Assumed Contract or (ii) give any third party (A) the right to declare a default or exercise any remedy under any Material Contract or any Assumed Contract, (B) the right to a rebate, chargeback, refund, credit, penalty or change in delivery schedule under any Material Contract or any Assumed Contract, (C) the right to accelerate the maturity or performance of any obligation of the Seller under any Material Contract or any Assumed Contract, or (D) the right to cancel, terminate or modify any Material Contract or any Assumed Contract. The Seller has not received any notice or other communication regarding any actual or possible violation or breach of, default under, or intention to cancel or modify any Material Contract or any Assumed Contract. True, correct and complete copies of all Material Contracts and all Assumed Contracts have been provided to the Purchaser and the Purchaser's counsel.

3.18 Liabilities; Solvency . The Seller is not now insolvent nor will it be rendered insolvent by the Transaction or the consummation of any other transactions contemplated hereby. As used in this Section 3.18 , "insolvent" means that the sum of the present fair saleable value of the assets of an entity do not and will not exceed its debts and other probable Liabilities. Immediately after giving effect to the consummation of the transactions contemplated hereby, (i) the Seller will be able to pay its retained Liabilities as they become due in the usual course of business and (ii) the Seller will have assets (calculated at fair market value) that exceed its retained Liabilities. The cash available to the Seller immediately after giving effect to the transactions contemplated hereby, after taking into account all other anticipated uses of the cash, will be sufficient to pay all such debts and judgments promptly in accordance with their terms. The Purchase Price constitutes reasonably equivalent value for the Acquired Assets, and the consummation of the transactions contemplated hereby will not constitute a fraudulent transfer under applicable laws relating to bankruptcy and insolvency. The Seller has not, at any time, (i) made a general assignment for the benefit of creditors, (ii) filed, or had filed against it, any bankruptcy petition or similar filing, (iii) admitted in writing its inability to pay its debts as they become due, (iv) been convicted of, or pleaded guilty or no contest to, any felony, or (v) taken or been the subject of any action that could reasonably be expected to have an adverse effect on its ability to comply with or perform any of its covenants or obligations under any of the Transaction Documents.

3.19 Insurance . Each policy of insurance and bonds with respect to the Acquired Assets (each, an " **Insurance Policy** ") now held by the Seller is set forth in Schedule 3.19 of the Seller Disclosure Letter, together with the name of the insurer, the type of policy or bond, the coverage amount. There is no claim pending under any of such Insurance Policies as to which coverage has been questioned, denied or disputed by the underwriters of such Insurance Policies and all such Insurance Policies are in full force and effect. All premiums due and payable under all such Insurance Policies have been timely paid, and the Seller is otherwise in material compliance with the terms of such Insurance Policies.

3.20 Absence of Certain Changes . Since the March 31,2015, the Seller has conducted the Business only in the Ordinary Course of Business, and since March 31, 2015, except as set forth on Schedule 3.20 of the Seller Disclosure Letter,: (a) there has not been with respect to the Business any change which has had a Material Adverse Effect; (b) the Seller has not made or entered into any Contract or letter of intent, other than with the Purchaser, with respect to any acquisition, sale or transfer of any asset of the Business (other than the sale or nonexclusive license of Products to customers of the Business in the Ordinary Course of Business); (c) there has not been any material revaluation by the Seller of any of the Acquired Assets; (d) there has not occurred any increase in or modification of the compensation or benefits payable or to become payable to the Business Employees or the Business contractors; (e) no Assumed Contract has been amended or terminated and there has not occurred any material default by the Seller or, to the Seller's knowledge, a third party under any Assumed Contract; (f) the Seller has not created or assumed any Liens on any of the Acquired Assets, any liability, or any obligation for borrowed money or any liability or obligation as guaranty or surety with respect to the obligations of any other Person; (g) the Seller has not paid or discharged any Lien or Liability which was not shown on the Balance Sheet or incurred in the Ordinary Course of Business; (h)

the Seller has not made any deferral of the payment of any accounts payable other than in the Ordinary Course of Business, or in an amount in excess of $25,000, or given any discount, accommodation or other concession other than in the Ordinary Course of Business, in order to accelerate or induce the collection of any receivable; (i) the Seller has not made any material change in the manner in which it extends discounts, credits or warranties to customers or otherwise deals with its customers; (j) there has been no material damage, destruction or loss, whether or not covered by insurance, affecting the Acquired Assets or the Business; and (k) there has not occurred any announcement of, any negotiation by or any entry into any Contract by the) Seller or any subsidiary of the Seller to do any of the things described in the preceding clauses (a) through (j) (other than negotiations and agreements with the Purchaser and its representatives regarding the transactions contemplated by this Agreement).

3.21 Taxes . There are no claims or assessments for Taxes being asserted against the Seller that has resulted or may result in a Lien against the Acquired Assets. There is no basis for the assertion of any claim for any Liabilities for unpaid pre-Closing Taxes for which the Purchaser would become liable as a result of the transactions contemplated by this Agreement or that would result in any Lien on any of the Acquired Assets. The Acquired Assets do not constitute a substantial portion of the Seller's total assets.

3.22 Interested Party Transactions . None of the officers and directors of the Seller and none of the employees or shareholders of the Seller, nor any immediate family member of an officer or director or of any employee or shareholder of the Seller, has any direct or indirect ownership, participation, royalty or other interest in, or is an officer, director, employee of or consultant or contractor for any firm, partnership, entity or corporation that competes with, or does business with, or has any contractual arrangement with, the Seller in respect of the Business or the Acquired Assets (except with respect to any interest in less than 1% of the stock of any corporation whose stock is publicly traded). None of said officers, directors, employees, shareholders who are Affiliates of the Seller or said shareholders who are not Affiliates of the Seller, or any member of their immediate families, is a party to, otherwise directly or indirectly interested in, any Contract related to the Business or the Acquired Assets to which the Seller is a party or by which the Seller or any of its assets or properties may be bound or affected, except for normal compensation for services as an officer, director or employee thereof. None of said officers, directors, employees, shareholders or immediate family members has any interest in any property, real or personal, tangible or intangible (including any Intellectual Property) that is used in the Business or will be included in the Acquired Assets, except for the rights of shareholders under applicable Legal Requirements.

3.23 Customers and Suppliers . Schedule 3.23(a) of the Seller Disclosure Letter sets forth a true and complete list of all customers of the Business during the twenty-four (24) month period ended on the Agreement Date. Schedule 3.23(b) of the Seller Disclosure Letter sets forth a true and complete list of the major suppliers of the Business (including any supplier of any component or part with a cost of one hundred dollars ($100) or more) during the twenty-four (24) month period ended on the Agreement Date. None of the customers listed in Schedule 3.23(a) of the Seller Disclosure Letter and none of the suppliers listed in Schedule 3.23(b) of the Seller Disclosure Letter, (i) has cancelled or otherwise terminated any Contract with the Seller prior to the expiration of the contract term, or (ii) has threatened, or indicated its

intention, to cancel or otherwise terminate its relationship with the Seller or to reduce substantially its purchase from or sale to the Seller of any products, equipment, goods or services, and there is no reasonable basis for any of the matters set forth in (i) or (ii) of this sentence to occur whether in connection with the transactions contemplated hereby, or otherwise.

3.24 Sufficiency of Assets . Except for the Excluded Assets and as set forth on Schedule 3.24 of the Seller Disclosure Letter, the Acquired Assets constitute all assets, equipment, machinery, tools, properties, rights and Intellectual Property that are reasonably necessary to enable the Purchaser, following the Closing, to effectively own, conduct, operate and continue the Business, as conducted by the Seller prior to Closing, and to sell and otherwise enjoy full commercial exploitation of the Acquired Assets in all material respects.

3.25 Government Regulation .

(a) Neither the Seller nor any of its managers or employees (as defined in 42 C.F.R. Part 420 Subpart C and 42 C.F.R. Section 1001.1001(a)(2)) have been, or is being investigated with respect to, any activity that materially contravenes or could contravene, or constitutes or could constitute, a material violation of any Aviation Law during their employment or association with the Business.

(b) Neither the Seller nor any of its respective managers or employees has engaged in any activity that contravenes or constitutes a violation of any Aviation Law during their employment or association with the Business.

(c) The Seller has not received or been subject to: (i) any warning letters, notices or other written correspondence from the FAA, EASA or any other Governmental Entity concerning any product manufactured, sold, leased or delivered by the Seller and related to the Business in which the FAA, EASA or such other Governmental Entity asserted that the operations of the Seller were not in compliance with applicable Legal Requirements, regulations, rules or guidelines with respect to any product manufactured, sold, leased or delivered by the Seller; or (ii) a Governmental Entity, including without limitation the FAA and the EASA, shutdown or import or export prohibition and, to the knowledge of the Seller, none of the FAA, EASA, or any other Governmental Entity is considering any such action.

3.26 Subsidiaries . Seller has no subsidiaries. Seller does not own, directly or indirectly, any capital stock or other equity or ownership or proprietary interest in any other corporation, partnership, association, trust, joint venture or other entity.

3.27 Equipment . Except as disclosed on Schedule 3.27 , the Equipment constitutes all equipment necessary for the conduct by Seller of the Business as now conducted. No Equipment used by Seller in connection with the Business is held under any lease, security agreement, conditional sales contract, or other title retention or security arrangement, or is other than in the possession and under the control of Seller.

3.28 Representations Complete . None of the representations or warranties made by the Seller and Shareholders herein or in any Exhibit or Schedule hereto, including the Seller

Disclosure Letter, or in any certificate furnished by the Seller or any Shareholder pursuant to this Agreement, when all such documents are read together in their entirety, contains or will contain at the Closing any untrue statement of a material fact or omits or will omit at the Closing to state any material fact necessary in order to make the statements contained herein and therein, in the light of the circumstances under which such statements were made, not misleading.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Seller and the Shareholders that as of the date of this Agreement and as of the Closing Date the statements set forth in this Article IV are true and correct:

4.1 Incorporation and Authority . The Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Rhode Island and has all necessary corporate power and authority to enter into the Transaction Documents to which it is party, to carry out and perform its obligations thereunder and to consummate all of the transactions contemplated thereby. The execution, delivery and performance by the Purchaser of the Transaction Documents to which it is a party, and the purchase of the Acquired Assets by the Purchaser and consummation of all the transactions contemplated thereby on the terms and conditions set forth herein, have been duly and validly authorized by the Purchaser's Board of Directors, representing all necessary corporate action on the part of the Purchaser. Without limiting the foregoing, no action on the part of the Purchaser's shareholders is necessary to consummate the transactions contemplated by the Transaction Documents. This Agreement has been, and at the Closing the other Transaction Documents will be, duly and validly executed and delivered by the Purchaser, and (assuming due authorization, execution and delivery by the parties (other than Purchaser) thereto) this Agreement constitutes and, upon the execution of each of the other Transaction Documents by the parties thereto, such Transaction Documents will constitute, legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms, except to the extent that enforceability may be limited by bankruptcy, moratorium, reorganization and other laws affecting the enforcement of creditors' rights generally and by general principles of equity.

4.2 Non-contravention; Consents; and Approvals . The execution, delivery and performance of the Transaction Documents by the Purchaser do not and will not: (i) conflict with or violate the Articles of Incorporation or By-laws of the Purchaser; (ii) except as would not result in a Material Adverse Effect on the Purchaser, (A) conflict with or violate any Legal Requirements applicable to the Purchaser or by which any material property or asset of the Purchaser is bound or affected; or (B) result in any breach of or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any material property or asset of the Purchaser pursuant to, any material note, bond, mortgage, indenture, Contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Purchaser is a party or by which the Purchaser or any material property or asset of the Purchaser is bound or affected.

4.3 Litigation . There is no private or governmental action, suit, proceeding, claim, arbitration, mediation or investigation pending before, any Governmental Entity, or threatened against the Purchaser or any of the Purchaser's directors, officers, shareholders, or employees (in their capacities as such or relating to their employment, services or relationship with the Purchaser). There is no judgment, decree, injunction, rule or order against, or continuing investigation by any Governmental Entity regarding, the Purchaser or, to the Purchaser's knowledge, any of the Purchaser's directors, officers, shareholders, or employees (in their capacities as such or relating to their employment, services or relationship with the Purchaser). There is no reasonable basis for any Person to assert a claim against the Purchaser based upon the Purchaser entering into the Transaction Documents or any of the other transactions or agreements contemplated hereby.

4.4 Brokers . No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by the Transaction Documents based upon arrangements made by or on behalf of the Purchaser or its Affiliates.

ARTICLE V
ADDITIONAL AGREEMENTS

5.1 Operation of Business .

(a) The Seller and the Shareholders covenant and agree, jointly and severally, that, between the Agreement Date and the Closing Date, the Seller shall: (i) conduct the Business in the Ordinary Course of Business in accordance with all Legal Requirements, (ii) pay all Taxes that become due, (iii) pay all payables of the Business and collect all Accounts Receivables in the Ordinary Course of Business; (iv) use its commercially reasonable efforts to keep available the services of the Business Employees and to preserve the Business' relationship with its customers and others doing business with it; and (v) use its commercially reasonable efforts to secure good and marketable title in the Purchaser's name in and to all of the Acquired Assets, free of all Liens, and to cause the conditions to Closing set forth in Section 6.2 to be fulfilled as promptly as possible.

(b) Without limiting the generality of the foregoing clause (a), between the Agreement Date and the Closing Date, except as (i) expressly contemplated, permitted or required by this Agreement, (ii) specifically disclosed in Schedule 5.1 of the Seller Disclosure Letter or (iii) otherwise consented to in writing by the Purchaser, neither the Seller nor any Shareholder shall take, or permit any Affiliate of the Seller to take, any action which would constitute a violation of Section 3.20 .

5.2 Access . Between the date of this Agreement and the Closing Date, the Seller and the Shareholders will permit representatives of the Purchaser (including legal counsel and accountants) to have reasonable access at all reasonable times with prior notice, and in a manner so as not to interfere with the normal business operations of the Seller and the Business, to all premises, properties, personnel, books, records (including tax records), Contracts, and documents of or pertaining to the Business, including without limitation for the purpose of conducting a

physical count of the Product Inventory and to confirm the Seller's perpetual inventory systems as they relate to the Product Inventory.

5.3 Notice of Potential Breach . Each Party will give prompt written notice to the other Party of any material adverse development which may cause or has caused a breach of any of his, her, or its own representations and warranties in Article III or Article IV above, as applicable.

5.4 Further Actions .

(a) From and after the Closing, each of the Parties will execute and deliver such documents and other papers and take such further actions as may be reasonably required to carry out the provisions of this Agreement or any other agreements required to be entered into by such party pursuant to this Agreement, give effect to the transactions contemplated by this Agreement and such other agreements and to vest the Purchaser with full right, title and interest in, to and under, and/or possession of, all of the Acquired Assets.

(b) Following the Closing, in the event that the Purchaser is required, pursuant to applicable law, to prepare and file with the Securities and Exchange Commission financial statements with respect to the Business, the Seller shall, and shall cause its respective auditors to, in each case at the Purchaser's expense, cooperate with the Purchaser and its auditors for the purpose of preparing and auditing such financial statements upon the Purchaser's reasonable request.

5.5 Covenant Not to Compete . As a material inducement and consideration for the Purchaser to enter into this Agreement, for a period of sixty (60) months from and after the Closing Date (such period of time being hereinafter called the " **Restricted Period** "), the Seller shall not, within the Restricted Area (as defined below), carryon any business, or own (in whole or in part), operate, advise, assist or lend funds to or invest funds in, any person, firm, partnership, business, corporation or other entity in any manner that would aid or assist any person, firm, partnership, business, corporation or other entity to compete, in any material respect, with the Business, which the parties understand to mean the civil and commercial ruggedized printer business for use on aircraft (which includes, without limitation, the development, design, manufacture, and sale of printers, printer parts, and other consumables and the services associated therewith) (the " **Restricted Business** "). Notwithstanding the foregoing, the "Restricted Business" shall not include the Seller's continued ownership and operation of (a) its existing "Military Airborne Printer Business Unit" that designs, develops, markets, sells and provides certain printer products, parts, consumables, and services for use on aircraft that are owned or operated by a military entity (the " **Military Printer Business** "); provided , however , that the products manufactured and sold by Seller in connection with the Military Printer Business shall be solely for use on aircraft that are owned or operated by a military entity and, (b) its printer business that designs, develops, markets, sells and provides printer products, parts, consumables, and services for or in connection with all other market segments utilizing printer products on land, ground or sea, other than the Restricted Business. As used herein, the term " **Restricted Area** " means any state of the United States of America or any other country or geographic area in which the Seller or its respective Affiliates, directly or indirectly carries on or

engages in business as of the Closing Date. During the Restricted Period, the Seller and each Shareholder further agrees not to interfere with, disrupt or attempt to disrupt the relationship between the Purchaser and any third party, including without limitation any customer, supplier, employee or contractor of the Purchaser, with respect to the Restricted Business. In the event of a breach of any of the covenants set forth in this Section, the Purchaser will be entitled to an injunction against the Seller and any Shareholder restraining such breach in addition to any other remedies provided by law or equity. Each of the Parties hereto agree that the duration and geographic scope of the provisions set forth in this Section 5.5 are reasonable. If any court of competent jurisdiction at any time deems the period of any restrictive covenant contained herein unreasonably lengthy, or the territory of any restrictive covenant contained herein unreasonably extensive, or any of the covenants set forth in this Section 5.5 not fully enforceable, the other provisions of this Section 5.5 , and this Agreement in general, will nevertheless stand and to the full extent consistent with applicable Legal Requirements continue in full force and effect, and it is the intention and desire of the Parties that the court treat any provisions of this Section 5.5 which are not fully enforceable as having been modified to the extent deemed necessary by the court to render them reasonable and enforceable and that the court enforce them to such extent (for example, that the period be deemed to be the longest period permissible by applicable Legal Requirements, but not in excess of the length provided for in this Section 5.5 , and the territory be deemed to comprise the largest territory permissible by applicable Legal Requirements under the circumstances, but not in excess of the territory provided for in this Section 5.5).

5.6 Non-Solicitation . Unless otherwise agreed to in writing, during the Restricted Period neither the Seller, any Shareholder nor any of their respective Affiliates will, directly or indirectly, solicit, induce or attempt to persuade any agent, supplier or customer of the Business to terminate such agency or other relationship with the Business.

5.7 Payment of Taxes . The Seller shall, to the extent that failure to do so could adversely affect or result in any Lien on the Acquired Assets or otherwise result in the Purchaser or its Affiliates having any liability for payment of any amount, (i) continue to file all Tax Returns within the time period for filing, and such Tax Returns shall be true, correct and complete in all respects, and (ii) pay when due any and all Taxes attributable to or levied or imposed upon the Acquired Assets for periods (or portions thereof) through and including the Closing Date whether or not such payment is required to be paid after the Closing Date.

5.8 Accounts Receivable . After the Closing, the Seller will promptly deliver to the Purchaser fifty percent (50%) of any payments received from third parties in connection with the Accounts Receivable, so that Seller and Purchaser shall equally share all payments received on the Accounts Receivable. The Seller shall be responsible for collection of all Accounts Receivable, and Purchaser will cooperate with the Seller, upon the Seller's reasonable request, in connection with the Seller's efforts to collect payments due on any of the Accounts Receivable.

5.9 Employee Matters .

(a) Liabilities Retained by the Seller and Not Assumed . The Seller will retain, and the Purchaser will not assume, any employer or employment-related obligations of the Seller to the Business Employees or any other liability related to any Business Employee,

including, without limitation: (i) accrued personal time off (including sick leave); (ii) any obligation to provide health, medical, disability, life or other insurance benefits or any stock, stock option rights, or pension savings plan or similar benefits pursuant to the Seller employee benefit plan, plans, agreement or arrangement; (iii) any government-mandated employee or employment-related payments; (iv) workers' compensation and disability insurance premiums (if any) paid or payable by the Seller on behalf of Business Employees who are on workers' compensation or disability leave; (v) any bonuses accrued or earned by any of the Business Employees; or (vi) any severance payments owed to any Business Employee (collectively, the " **Employee Liabilities** ").

(b) Termination of Employment . The Seller agrees to comply with the provisions of the WARN Act and any other federal, state or local statute or regulation regarding termination of employment and to perform all obligations that might otherwise be required by the Seller with respect to the cessation of any operations of the Business or the termination of any Business Employee on or after the Closing Date.

5.10 Tax Matters .

(a) Transaction Taxes . The Seller shall be responsible for, and shall pay all excise, value added, registration, stamp, property, documentary, transfer, sales, use and similar Taxes, levies, charges and fees incurred, or that may be payable to any taxing authority, in connection with the transactions (including without limitation the sale, transfer, and delivery of the Acquired Assets) contemplated by this Agreement (collectively, " **Transaction Taxes** "). The Seller shall be responsible for preparing and filing any tax return relating to such Transaction Taxes and shall provide a copy of such return to the Purchaser. The Purchaser and the Seller agree to cooperate in minimizing the amount of any such Transaction Taxes and in the filing of all necessary documentation and all Tax Returns, reports and forms with respect to all such Transaction Taxes, including any available pre-Closing filing procedures.

(b) Straddle Periods . All property taxes, personal property taxes and similar ad valorem obligations in respect of the Acquired Assets that relate to periods beginning prior to the Closing Date and ending after the Closing Date (" **Straddle Periods** ") shall be prorated in accordance with the rules provided in Section 164(d) of the Code. The Seller shall prepare and file, or shall cause to be prepared and filed, on a timely basis, all Straddle Period tax returns. The Seller shall provide each Straddle Period tax return to the Purchaser for review not less than ten (10) business days in advance of the due date thereof, and the Purchaser shall pay to the Seller its prorated portion of the tax shown to be due on each such return not less than five (5) business days before the due date of such payment.

(c) Other Taxes . Except as provided in clauses (a) and (b) above, (i) the Seller shall be responsible for and shall pay any and all Taxes with respect to the Acquired Assets relating to all periods (or portions thereof) ending on or prior to the Closing Date, and (ii) the Purchaser shall be responsible for and shall pay any and all Taxes with respect to the Acquired Assets relating to all periods (or portions thereof) ending after the Closing Date.

(d) Treatment of Indemnity Payments . All payments (i) made by the Seller pursuant to clause (a) above, or to or for the benefit of the Purchaser pursuant to any indemnification obligations under this Agreement, will be treated as adjustments to the Purchase Price for Tax purposes and such agreed treatment will govern for purposes of this Agreement, unless otherwise required by law.

5.11 Reserved .

5.12 Confidentiality .

(a) Pre-Closing Confidentiality . From the Agreement Date until the Closing Date (or if the Closing shall fail to occur, for a period of three (3) years from the Agreement Date), the Seller, the Shareholders and the Purchaser (a) will maintain in confidence, and will cause their respective agents and employees to maintain in confidence all Confidential Information unless (i) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated hereby, or (ii) the furnishing or use of such information is required by or necessary or appropriate in connection with legal proceedings; (b) shall at all times comply with all applicable protection of personal information legislation, federal or provincial, with respect to personal information disclosed or otherwise provided, including any access provided to such personal information by the Seller under this Agreement; (c) shall only use or disclose such Confidential Information for the purposes of evaluating and effecting the transactions contemplated hereby; (d) shall safeguard all Confidential Information collected from the other parties in a manner consistent with the degree of sensitivity of the Confidential Information; (e) shall maintain at all times the security and integrity of the other parties' Confidential Information and (1) if the Closing shall fail to occur, shall return or destroy as much of such other party's Confidential Information as the requesting party shall from time to time request.

(b) Post-Closing Confidentiality . From the Closing Date and thereafter, the Seller and each Shareholder shall (a) maintain in confidence all Confidential Information of the Purchaser and the Seller; (b) shall at all times comply with all applicable protection of personal information legislation, federal or provincial, with respect to personal information disclosed or otherwise provided, including any access provided to such personal information by the Seller and/or the Purchaser under this Agreement; (c) shall safeguard all Confidential Information in a manner consistent with the degree of sensitivity of the Confidential Information; (d) shall maintain at all times the security and integrity of the Confidential Information; and (e) deliver promptly to Purchaser or destroy, at the request and option of Purchaser, all tangible embodiments (and all copies) of the Confidential Information that are in its possession. In the event that Seller or any Shareholder is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Seller or any such Shareholder will notify Purchaser promptly of the request or requirement so that Purchaser may seek an appropriate protective order or waive compliance with the provisions of this Section 5.12(b) . If, in the absence of a protective order or the receipt of a waiver hereunder, Seller or any Shareholder is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, Seller or any such Shareholder may disclose the

Confidential Information to the tribunal; provided, however, that the Seller and any such Shareholder shall use his or its best efforts to obtain, at the reasonable request of Purchaser, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Purchaser shall designate.

5.13 Acquisition Proposals . From and after the date hereof, unless and until this Agreement shall have been terminated in accordance with its terms, the Seller and each Shareholder hereby agrees that it or he will not, nor will the Seller or any Shareholder permit any director, officer, Shareholder, employee or agent of the Seller or any Shareholder to, directly or indirectly: (i) take any action to solicit, initiate submission of or encourage proposals or offers from any Person relating to any acquisition or purchase of all or any portion of the Business or the Acquired Assets (other than in the Ordinary Course of Business), or any equity interest in Seller, or any merger or business combination with Seller (any such proposal, an " **Acquisition Proposal** "), (ii) participate in any discussions or negotiations regarding an Acquisition Proposal with any Person other than Purchaser and its representatives, (iii) furnish any information or afford access to the properties, books or records related to the Business to any Person that may consider making, or has made an offer with respect to an Acquisition Proposal other than Purchaser and its representatives, or (iv) otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do any of the foregoing. The Seller and the Shareholders shall notify Purchaser promptly if any unsolicited Acquisition Proposal or offer, or any inquiry or contact with any Person with respect thereto, is made, such notice to include the identity of the Person making such proposal, offer, inquiry or contact, and the terms of such offer. The Seller and each Shareholder agrees that Purchaser would not have an adequate remedy at law for money damages in the event that the covenants set forth in this Section 5.13 are not performed in accordance with their terms and further agrees that Purchaser shall be entitled to specific performance of the terms hereof in addition to any other remedy to which Purchaser may be entitled at law or in equity.

5.14 Public Announcements . Prior to the Closing, each Party agrees not to issue any press release or make any other public announcement relating to this Agreement, the Transaction or any other transactions contemplated hereunder without the prior written approval of the other Party, except that the Purchaser reserves the right, without the Seller's or any Shareholder's prior consent, to make any public disclosure it believes in good faith is required by applicable securities Laws or securities listing standards (in which case the Purchaser agrees to use commercially reasonable efforts to advise the Seller and the Seller Representative prior to making such disclosure). The Purchaser and the Seller will agree on a joint press release announcing each of the execution of this Agreement and the Closing.

5.15 Use of Names .

(a) For the period from the Closing Date through the last date on which the Purchaser supplies any Product pursuant to any Assumed Contract (the " **RITEC Name Period** "), the Purchaser shall have the royalty-free right to use the names "RITEC" and "Rugged Information Technology Equipment Corporation" (collectively, the " **RITEC Name** "), only as and to the extent such name was used by the Seller with respect to the sale of Products by the Business or to the extent necessary to satisfy applicable regulatory requirements or as otherwise

reasonably required in connection with the orderly transition of the Business from the Seller to the Purchaser, including for reference purposes.

(b) The Purchaser shall have the further royalty-free right during the RITEC Name Period to sell or otherwise use or dispose of any materials included in the. Product Inventory which bear the RITEC Name to the extent that such materials (i) relate to the Business and are returned to the Purchaser after the Closing Date or (ii) were contracted for by the Seller for use in the Business prior to the Closing Date (in each case, without altering or modifying such materials or inventory); provided that such right shall terminate upon the expiration of the RITEC Name Period with respect to any such materials unless the only reference therein to the Seller or the RITEC Name is to its or their copyright claim, in which case such right shall be unlimited as to time.

(c) Notwithstanding the above, in no event shall the Purchaser use the RITEC Name after the Closing in any manner or for any purpose different from the use of such RITEC Name by the Seller during the twelve (12) month period prior to the Closing Date with respect to the Business or to satisfy applicable regulatory requirements or as otherwise reasonably required in connection with the orderly transition of the Business from the Seller to the Purchaser, including for reference purposes.

5.16 Customer Consents .

(a) The Seller and Purchaser acknowledge and agree that the Consents required to be obtained from customers of the Business, as set forth on Schedule 5.16 of the Seller Disclosure Letter (the " **Customer Consents** "), will be obtained post-Closing. Purchaser shall be primarily responsible for obtaining the Customer Consents and initiating and managing contact with applicable third parties. Notwithstanding the foregoing, Seller agrees to cooperate with Purchaser in all respects in connection with the Customer Consents and to take all actions, and deliver all documents and certificates, required in connection with the Customer Consents. Purchaser and Seller shall use commercially reasonable efforts to expeditiously obtain the Customer Consents prior to the earlier of the expiration or termination of the Transition Services Agreement (the " **TSA End Date** "). In the event that the parties are unable to obtain all of the Customer Consents prior to the TSA End Date, the Purchaser shall have the right, in its sole discretion, to extend the term of the Transition Services Agreement until such time as all Customer Consents have been obtained.

(b) The Buyer shall bear all of the costs and expenses of obtaining the Customer Consents.

(c) The Seller hereby agrees to notify Purchaser of any and all communications with third parties relating to obtaining the Customer Consents. The Seller and the Shareholders further agree to refer all customer inquiries relating to the Business to Purchaser from and. after the Closing.

ARTICLE VI
CONDITIONS PRECEDENT TO OBLIGATIONS TO CLOSE

6.1 Conditions to Obligations of Each Party . The respective obligations of each Party to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions (it being understood that each such condition is solely for the benefit of the Parties and may be waived in writing by their mutual agreement, without notice, liability or obligation of any Person):

(a) No Governmental Entity or other agency or commission or court of competent jurisdiction will have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions; and

(b) No action, suit, or proceeding shall be threatened or pending before (or that could come before) any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before (or that could come before) any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) adversely affect the right of Purchaser to own the Acquired Assets or to operate the Business, or (D) materially affect and adversely the right of Seller to own its assets and to operate its business (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect).

6.2 Conditions to the Purchaser's Obligation . The Purchaser's obligation to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions (it being understood that each such condition is solely for the benefit of the Purchaser and may be waived in writing by the Purchaser, without notice, liability or obligation of any Person):

(a) the representations and warranties of the Seller set forth in Article III above shall be true and correct in all material respects at and as of the Agreement Date and as of the Closing Date, except to the extent that such representations and warranties are qualified by a standard of materiality, in which case such representations and warranties shall be true and correct in all respects giving effect to such standard at and as of the Agreement Date and as of the Closing Date (except to the extent any such representation or warranty speaks as of a specific date, in which case such representation or warranty must have been true and correct in all material respects as of such date);

(b) the Seller and each Shareholder shall have performed and complied with all of its or his covenants in the Transaction Documents in all material respects required to be performed on or prior to the Closing;

(c) the Seller shall have delivered to the Purchaser a certificate to the effect that each of the conditions specified above in Sections 6.2(a) and (b) is satisfied in all respects;

(d) the Purchaser shall have received each of the closing deliveries of the Seller and the Shareholders set forth in Section 2.6 , executed by the Shareholders and on behalf of the Seller by a duly authorized officer of the Seller (as applicable);

(e) there shall not have occurred after the Agreement Date a Material Adverse Effect on the Business or the Acquired Assets;

(f) the Seller will have obtained and delivered to the Purchaser all Consents, waivers and approvals, other than the Customer Consents, from Governmental Entities and third parties necessary to effect the assignment and transfer to the Purchaser of the Acquired Assets free and clear of all Liens;

(g) the Products are in material compliance with all applicable regulatory requirements and qualifications;

(h) the Seller shall have delivered to the Purchaser copies of the Seller's the Articles of Incorporation certified by the Secretary of State California;

(i) the Seller shall have delivered to the Purchaser copies of the certificate of good standing of the Seller issued by the Secretary of State (or comparable officer) of California and of each jurisdiction in which the Seller is qualified to do business; and

(j) the Seller shall have delivered to the Purchaser a certificate of the secretary or an assistant secretary of the Seller, dated the Closing Date, in form and substance reasonably satisfactory to the Purchaser, as to: (i) no amendments to the Articles of Incorporation of the Seller since the date of certification; (ii) the bylaws of the Seller; and (iii) any resolutions of the board of directors (or a duly authorized committee thereof) of the Seller and the Shareholders relating to this Agreement and the transactions contemplated hereby.

6.3 Conditions to the Seller's Obligation . The Seller's and Shareholders' obligation to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions (it being understood that each such condition is solely for the benefit of the Seller and the Shareholders' and may be waived in writing by the Seller and the Shareholders, without notice, liability or obligation of any Person):

(a) the representations and warranties of the Purchaser set forth in Article IV above shall be true and correct in all material respects at and as of the Agreement Date and as of the Closing Date, except to the extent that such representations and warranties are qualified by a standard of materiality, in which case such representations and warranties shall be true and correct in all respects giving effect to such standard at and as of the Agreement Date and as of the Closing Date (except to the extent any such representation or warranty speaks as of a specific date, in which case such representation or warranty must have been true and correct in all material respects as of such date);

(b) the Purchaser shall have performed and complied with all of its covenants in the Transaction Documents in all material respects required to be performed on or prior to the Closing;

(c) the Purchaser shall have delivered to the Seller a certificate to the effect that each of the conditions specified above in Sections 6.3(a) and (b) is satisfied in all respects; and

(d) the Purchaser shall have delivered or caused to be delivered to the Seller each of the items that Section 2.7 requires it to deliver.

ARTICLE VII
TERMINATION, AMENDMENT AND WAIVER

7.1 Termination of Agreement . The Parties may terminate this Agreement as provided below:

(a) the Purchaser and the Seller may terminate this Agreement by mutual written consent at any time prior to the Closing;

(b) the Purchaser may terminate this Agreement by giving written notice to the Seller Representative at any time prior to the Closing if (A) the Seller or any Shareholder has breached any representation, warranty, or covenant contained in this Agreement, the Purchaser has notified the Seller Representative of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach (provided , however , that no such cure period shall be available or applicable to any such breach which by its nature cannot be cured), or (B) if the Closing shall not have occurred on or before September 30, 2015, by reason of the failure of any condition precedent under Section 6.2 hereof (unless-the failure results primarily from Purchaser itself breaching any representation, warranty, or covenant contained in this Agreement); and

(c) the Seller may terminate this Agreement by giving written notice to the Purchaser at any time prior to the Closing if (A) the Purchaser has breached any representation, warranty, or covenant contained in this Agreement, the Seller has notified the Purchaser of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach (provided , however , that no such cure period shall be available or applicable to any such breach which by its nature cannot be cured), or (B) if the Closing shall not have occurred on or before September 30, 2015, by reason of the failure of any condition precedent under Section 6.3 hereof (unless the failure results primarily from Seller itself breaching any representation, warranty, or covenant contained in this Agreement).

(d) Effect of Termination . If any Party terminates this Agreement pursuant to and in accordance with this Section 7.1 , (i) the Earnest Money Escrow Funds shall be promptly released to Purchaser or Seller, as applicable, in accordance with clause (e) below, and (ii) all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party; provided , however , that (A) the confidentiality provisions contained in Section 5.12 and the General Provisions contained in Article IX shall survive termination and

(B) nothing herein shall relieve any Party from liability in connection with any willful breach of such Party's representations, warranties or covenants contained herein.

(e) Earnest Money Escrow Funds . In the event that this Agreement is terminated (i) pursuant to and in accordance with clause (a) or (b) of this Section 7.1 , or (ii) by the Seller for any reason other than as set forth in clause (c) of this Section 7.1 , the Earnest Money Escrow Funds shall be promptly released from escrow and delivered to Purchaser by Wells Fargo Bank, National Association by wire transfer or delivery of other immediately available funds. In the event that this Agreement is terminated (i) by the Seller pursuant to and in accordance with clause (c) of this Section 7.1 , or (ii) by the Purchaser for any reason other than as set forth in clause (b) of this Section 7.1 , the Earnest Money Escrow Funds shall be promptly released from escrow and delivered to Seller by Wells Fargo Bank, National Association by wire transfer or delivery of other immediately available funds. The Parties shall take all actions reasonably necessary in connection with the release and transfer of the Earnest Money Escrow Funds in accordance with this Section 7.1(e) .

7.2 Amendment . The Parties may amend this Agreement, whether before or after the Closing, by authorized action at any time pursuant to an instrument in writing signed on behalf of each of the Parties.

7.3 Extension; Waiver . At any time at, prior to, or following the Closing, any Party may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of any other Party hereto, (b) waive any inaccuracies in the representations and warranties made to any such Party contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or conditions for the benefit of any such other Party contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. Without limiting the. generality or effect of the preceding sentence, no delay in exercising any right under this Agreement shall constitute a waiver of such right, and no waiver of any breach or default shall be deemed a waiver of any other breach or default of the same or any other provision in this Agreement.

ARTICLE VIII
INDEMNIFICATION

8.1 Escrow . The Escrow Cash shall be available to compensate the Purchaser (on behalf of itself or any other Indemnified Person (as such term is defined in Section 8.3 below)) for Indemnifiable Damages (as such term is defined in Section 8.3 below) pursuant to the indemnification obligations of the Seller (such Escrow Cash, together with any interest that may be earned thereon, to constitute an escrow fund (the " **Escrow Fund** ")) and to be governed by the provisions set forth herein and in the Escrow Agreement. Any amounts due to the Purchaser (or any other Indemnified Person) by the Seller pursuant to this Article VIII , shall be first paid from the Escrow Fund.

8.2 Survival . If the Transaction is consummated, the representations and warranties of the Seller contained in this Agreement shall survive the Closing Date and remain in full force and effect, regardless of any investigation or disclosure made by or on behalf of any of the

parties to this Agreement, until 11:59 p.m. Eastern on the day that is the twelve (12) month anniversary of the Closing Date; provided , however , that the representations and warranties contained in Sections 3.1 , 3.2 , 3.3 , 3.7 , and 3.21 (collectively, the " **Fundamental Representations** ") will remain operative and in full force and effect, regardless of any investigation made, disclosure received, or knowledge obtained, by or on behalf of any of the parties to this Agreement, until 60 days after the expiration of the applicable statute of limitations for claims against the Seller which seek recovery of Indemnifiable Damages arising out of a failure of such representations or warranties; provided , further , that that no right of indemnification pursuant to this Article VIII in respect of any claim based upon any failure of a representation or warranty that is set forth in a Notice of Claim delivered prior to the applicable expiration date of such representation or warranty shall be affected by the expiration of such representation or warranty; and provided , further , that such expiration shall not affect the rights of any Indemnified Person under this Article VIII or otherwise to seek recovery of Indemnifiable Damages arising out of fraud, willful breach or intentional misrepresentation by the Seller or any Shareholder indefinitely.

8.3 Agreement to Indemnify . Subject to the limitations set forth in this Article VIII , the Seller shall indemnify and hold harmless the Purchaser and its directors, officers, agents, representatives, shareholders and employees and each Person, if any, who controls or may control the Purchaser within the meaning of the Securities Act (each of the foregoing being referred to individually as an " **Indemnified Person** " and collectively as " **Indemnified Persons** ") from and against any and all losses, Liabilities, damages, costs and expenses, including costs of investigation and defense and reasonable fees and expenses of lawyers, experts and other professionals (collectively, " **Indemnifiable Damages** ") directly or indirectly, whether or not asserted or imposed by third parties, including but not limited to Governmental Entities or instrumentalities, arising out of, resulting from or relating to (a) any failure of any representation or warranty made by the Seller or any Shareholder in this Agreement or the Seller Disclosure Letter (including any exhibit or schedule to the Seller Disclosure Letter) to be true and correct as of the date of this Agreement and as of the Closing Date (except in the case of representations and warranties which by their terms speak only as of a specific date or dates, which representations and warranties shall be true and correct as of such date), (b) any failure of any certification, representation or warranty made by the Seller or any Shareholder in any certificate delivered to the Purchaser pursuant to any provision of this Agreement to be true and correct as of the date such certificate is delivered to the Purchaser, (c) any breach of or default in connection with any of the covenants or agreements made by the Seller or any Shareholder in this Agreement or the Seller Disclosure Letter (including any exhibit or schedule to the Seller Disclosure Letter), (d) any and all Employee Liabilities, (e) any Taxes of the Seller and any sales, use or other Taxes imposed on the sale of the Acquired Assets to the Purchaser hereunder, (f) any noncompliance with any bulk sales, bulk transfer or similar laws applicable to the transactions contemplated hereby, (g) any Excluded Liabilities, and (h) any failure of the information contained in the Product Inventory Value Certificate to be true and correct.

Notwithstanding anything contained herein to the contrary, the obligations of Seller pursuant to this Section 8.3 shall not apply to any Indemnifiable Damages until the aggregate amount of all Indemnifiable Damages incurred by the Indemnified Persons exceeds Twenty-Five Thousand Dollars ($25,000.00) (the " **Indemnity Threshold** "). If the Indemnifiable Damages exceed the

Indemnity Threshold, the Seller shall be liable for all Indemnifiable Damages, including those comprising the Indemnity Threshold. Notwithstanding the foregoing, there shall be no Indemnity Threshold with respect to Indemnifiable Damages arising from (i) breaches of the Fundamental Representations, or (ii) claims made pursuant to Sections 8.3(d) through (h) .

8.4 Qualification for Indemnification . In determining the amount of any Indemnifiable Damages in respect of the failure of any representation or warranty to be true and correct as of any particular date or the breach of or default in connection with any covenant or agreement, any knowledge, materiality or Material Adverse Effect standard or qualification, or standard or qualification that a matter be or not be "reasonably expected" or "reasonably likely" to occur, contained in or otherwise applicable to such representation, warranty, covenant or agreement shall be disregarded; provided, however, that such standard or qualification shall not be disregarded for the purposes of the initial determination of whether there was a failure of such representation or warranty to be true and correct, or a breach of or default in connection with any covenant or agreement, as aforesaid.

8.5 Notice of Claim .

(a) As used herein, " **Claim** " means a claim for indemnification of the Purchaser or any other Indemnified Person for Indemnifiable Damages under this Article VIII . The Purchaser may give notice of a Claim under this Agreement, whether for its own Indemnifiable Damages or for Indemnifiable Damages incurred by any other Indemnified Person, by providing written notice of a Claim executed by an officer of the Purchaser (a " **Notice of Claim** ") to the Seller Representative (with a copy to the Escrow Agent if the Claim involves recovery against the Escrow Cash) promptly after the Purchaser becomes aware of the existence of any potential claim by an Indemnified Person for indemnification from the Seller under this Article VIII , arising from or relating to:

(i) any matter specified in Section 8.3 ; or

(ii) the assertion, whether orally or in writing, against the Purchaser or any other Indemnified Person of a claim, demand, suit, action, arbitration, investigation, inquiry or proceeding brought by a third party against the Purchaser or such other Indemnified Person (in each case, a " **Third-Party Claim** ") that is based on, arises out of or relates to any matter specified in Section 8.3 .

(b) Except as provided in the following sentence, the period during which claims may be initiated (the " **Claims Period** ") for indemnification shall commence at the Closing Date and terminate at 11:59 p.m. Eastern on the day that is the twelve (12) month anniversary of the Closing Date. The Claims Period for indemnification from and against Indemnifiable Damages arising out of, resulting from or in connection with the Fundamental Representations shall commence at the Closing Date and terminate 60 days after the expiration of the applicable statute of limitations.

8.6 Defense of Third-Party Claims .

(a) The Purchaser shall determine and conduct the defense or settlement of any Third-Party Claim, and the costs and expenses incurred by the Purchaser in connection with such defense or settlement (including reasonable attorneys' fees, other professionals' and experts' fees and court or arbitration costs) shall be included in the Indemnifiable Damages for which the Purchaser may seek indemnification pursuant to a Claim made by any Indemnified Person hereunder.

(b) The Seller Representative shall have the right to receive copies of all pleadings, notices and communications with respect to the Third-Party Claim to the extent that receipt of such documents by the Seller Representative does not affect any privilege relating to the Indemnified Person. At its option and expense, the Seller Representative shall be entitled to participate in, but not to determine or conduct, any defense of the Third-Party Claim or settlement negotiations with respect to the Third-Party Claim.

(c) No settlement of any such Third-Party Claim with any third party claimant shall be determinative of the existence of or amount of Indemnifiable Damages relating to such matter, except with the consent of the Seller Representative, which consent shall not be unreasonably withheld, conditioned or delayed and which shall be deemed to have been given unless the Seller Representative shall have objected within 15 days after a written request for such consent by the Purchaser. In the event that the Seller Representative has consented to any such settlement, none of the Seller or any Shareholder shall have any power or authority to object under any provision of this Article VIII to the amount of any claim by or on behalf of any Indemnified Person, the Seller or any Shareholder for indemnity with respect to such settlement.

8.7 Contents of Notice of Claim . Each Notice of Claim by the Purchaser given pursuant to Section 8.5 shall contain the following information:

(a) that the Purchaser or another Indemnified Person has directly or indirectly incurred, paid or properly accrued (in accordance with GAAP) or, in good faith, believes it shall have to directly or indirectly incur, pay or accrue (in accordance with GAAP), Indemnifiable Damages in an aggregate stated amount arising from such Claim (which amount may be the amount of damages claimed by a third party in an action brought against any Indemnified Person based on alleged facts, which if true, would give rise to liability for Indemnifiable Damages to such Indemnified Person under this Article VIII); and

(b) a brief description, in reasonable detail (to the extent reasonably available to the Purchaser), of the facts, circumstances or events giving rise to the alleged Indemnifiable Damages based on the Purchaser's good faith belief thereof, including the identity and address of any third-party claimant (to the extent reasonably available to the Purchaser) and copies of any formal demand or complaint, the amount of Indemnifiable Damages, the date each such item was incurred, paid or properly accrued, or the basis for such anticipated liability, and the specific nature of the breach to which such item is related.

8.8 Resolution of Notice of Claim . Each Notice of Claim given by the Purchaser shall be resolved as follows:

(a) Uncontested Claims . If, within 15 Business Days after a Notice of Claim is received by the Seller Representative, the Seller Representative does not contest such Notice of Claim in writing to the Purchaser as provided in Section 8.8(b) , the Seller Representative shall be conclusively deemed to have consented on behalf of the Seller, to the recovery by the Indemnified Person of the full amount of Indemnifiable Damages specified in the Notice of Claim in accordance with this Article VIII , and, without further notice, to have stipulated or consented to the entry of a final judgment or final determination, as the case may be, for damages against the Seller for such amount in any court or with any arbitrator having jurisdiction over the matter where venue is proper.

(b) Contested Claims . If the Seller Representative gives the Purchaser written notice contesting all or any portion of a Notice of Claim (a " **Contested Claim** ") within the 15 Business Day period specified in Section 8.8(a) , then such Contested Claim shall be resolved by either (i) a written settlement agreement executed by the Purchaser and the Seller Representative (a copy of which shall be furnished to the Escrow Agent) or (ii) in the absence of such a written settlement agreement within 30 Business Days following receipt by the Purchaser of the written notice of the Contested Claim from the Seller Representative, by binding litigation between the Purchaser and the Seller Representative (on behalf of the Seller) in accordance with Section 8.8(c) .

(c) Litigation of Contested Claims . Either the Purchaser or the Seller Representative may bring suit in the courts of the State of Rhode Island and the Federal courts of the United States of America located within the State of Rhode Island to resolve the Contested Claim. Regardless of which Party brings suit to resolve a matter, the Purchaser shall bear the burden of proof by a preponderance of the evidence that the Purchaser or other Indemnified Persons are entitled to indemnification pursuant to this Article VIII . The decision of the trial court as to the validity and amount of any claim in such Notice of Claim shall be nonappealable, binding and conclusive upon the Parties shall be entitled to act in accordance with such decision and make or withhold payments in accordance therewith. Judgment upon any award rendered by the trial court may be entered in any court having jurisdiction. For purposes of this Section 8.8(c) , in any suit hereunder in which any claim or the amount thereof stated in the Notice of Claim is at issue, the court shall determine which party is the non-prevailing party. The non-prevailing party to a suit shall pay its own expenses and the expenses, including attorneys' fees and costs, reasonably incurred by the other party to the suit.

8.9 Tax Consequences of Indemnification Payments . All payments (if any) made to any Indemnified Person pursuant to any indemnification obligations under this Article VIII will be treated as adjustments to the purchase price for tax purposes and such agreed treatment will govern for purposes of this Agreement, unless otherwise required by law.

8.10 Insurance . Sums payable by Seller to an Indemnified Person under this Article XIII shall be reduced by any insurance proceeds actually received or expected to be received by any Indemnified Person that directly relate to the occurrence of the event for which indemnification is available and no Indemnified Person shall be entitled to indemnification for any Indemnifiable Damages unless and until it has vigorously pursued (not including any litigation) all claims for insurance available to it and its Affiliates with respect to such

Indemnifiable Damages. If an insurance recovery is received by an Indemnified Person with respect to any indemnification event for which Seller has made an indemnification payment, such Indemnified Person shall pay to the Seller the amount of the insurance recovery, but not more than the amount of such indemnification payment. In the event that insurance proceeds were expected to be received but are not actually paid with regards to the claim or dispute, any sums not actually paid by insurer shall be paid by Seller.

ARTICLE IX
GENERAL PROVISIONS

9.1 Press Release and Public Announcements . Subject to Section 5.14 , no Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party; provided , however , that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly traded securities (in which case the disclosing Party will use its best efforts to advise the other Party prior to making the disclosure); provided , further , after the Closing, the Purchaser may issue such press releases or make such other public statements regarding this Agreement or the transactions contemplated hereby as the Purchaser may, in its reasonable discretion, determine.

9.2 No Third Party Beneficiaries . This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns (except that Article VIII is intended to benefit Indemnified Persons).

9.3 Entire Agreement . This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

9.4 Succession and Assignment . This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party; provided, however, that the Purchaser may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates and (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the Purchaser nonetheless shall remain responsible for the performance of all of its obligations hereunder).

9.5 Counterparts . This Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together will constitute one and the same instrument.

9.6 Notices . All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) 1 business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) 1 business day after being sent to the recipient by facsimile transmission or

electronic mail, or (iv) 4 business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Purchaser:	Astro-Med, Inc. 600 East Greenwich Avenue West Warwick, RI 02893 Attn: Gregory A. Woods, President Facsimile: (401) 821-5314
Copy to:	Hinckley, Allen & Snyder LLP 100 Westminster Street, Suite 1500 Providence, RI 02903 Attn: Margaret D. Farrell, Esq. Facsimile: (401) 457-5103
If to the Seller or the Seller Representative:	Rugged Information Technology Equipment Corporation 25 East Easy Street Simi Valley, CA 93065 Attention: Carl Stella, President
Copy to:	Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP 300 Esplanade Drive, Suite 2100 Oxnard, California 93036 Attn.: Gary D. Arnold, Esq.

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

9.7 Governing Law; Venue . This Agreement shall be governed by, and construed in accordance with, the laws of the State of Rhode Island applicable to Contracts executed in and to be performed in that State. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts ofthe State of Rhode Island and the Federal courts of the United States of America located therein solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby and thereby (including resolution of disputes under Section 8.8), and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or thereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Rhode Island state

or federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 9.6 or in such other manner as may be permitted by applicable law, shall be valid and sufficient service thereof. With respect to any particular action, suit or proceeding, venue shall lie solely in Rhode Island.

9.8 Set-Off . Without limiting the rights of Purchaser at law or in equity, Purchaser shall have the right to set-off against payments due by it or any Affiliate to the Seller hereunder, or under any agreement contemplated hereby and delivered at the Closing or otherwise, including without limitation the Transaction Documents, the amount of any obligations due from the Seller or any Shareholder under this Agreement or otherwise, including interest on such obligations due from the Seller or any Shareholder (to be calculated from the due date to the date payments of such sums were made or used to setoff).

9.9 Severability . Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

9.10 Expenses . Each of the Parties will bear their own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

9.11 Seller Representative .

(a) By the execution and delivery of this Agreement, the Seller and each Shareholder irrevocably constitutes and appoints Carl C. Stella as its or his true and lawful agent and attorney-in-fact (the " **Seller Representative** ") with full power of substitution to act in his, her or its name, place and stead with respect to all transactions contemplated by and all terms and provisions of this Agreement and the other Transaction Documents, and to act on his, her or its behalf in any dispute, litigation or arbitration involving the Transaction Documents, do or refrain from doing all such further acts and things, and execute all such documents as the Seller Representative shall deem necessary or appropriate in connection with the transactions contemplated by the Transaction Documents, including, without limitation, the power:

(i) to act on behalf of the Seller and the Shareholders with regard to matters pertaining to indemnification referred to in this Agreement, including without limitation the power to compromise any claim on behalf of the Seller and such Shareholders and to transact matters of litigation;

(ii) to do or refrain from doing any further act or deed on behalf of the Seller and the Shareholders which the Seller Representative deems necessary or appropriate in his sole discretion relating to the subject matter of the Transaction Documents; and

(iii) to receive all notices and service of process on behalf of the Seller and the Shareholders in connection with any claims or matters under the Transaction Documents (and

the Seller Representative agrees to deliver copies of all such notices and service of process to the Seller and the Shareholders).

(b) If Carl C. Stella dies or otherwise becomes incapacitated and unable to serve as the Seller Representative, then Harry Alteri shall serve as the new Seller Representative. The appointment of the Seller Representative shall be deemed coupled with an interest and shall be irrevocable, and Purchaser, Escrow Agent and any other person may conclusively and absolutely rely, without inquiry, upon any action of the Seller Representative on behalf of the Seller and the Shareholders in all matters related to the Transaction Documents. All notices delivered by Purchaser or Escrow Agent to the Seller Representative for the benefit of the Seller and the Shareholders shall constitute notice to the Seller and the Shareholders. The Seller Representative shall act for the Seller and the Shareholders on all of the matters set forth in the Transaction Documents in the manner the Seller Representative believes to be in the best interest of the Seller and the Shareholders and consistent with his obligations under this Agreement, but the Seller Representative shall not be responsible to the Seller or the Shareholders for any loss or damages the Seller or the Shareholders may suffer by reason of the performance by the Seller Representative of his duties under the Transaction Documents, other than loss or damage arising from willful violation of the Transaction Documents or the law or gross negligence in the performance of his duties under the Transaction Documents.

(c) All actions, decisions and instructions of the Seller Representative taken, made or given pursuant to the authority granted to such Seller Representative pursuant to paragraph (a) above shall be conclusive and binding upon the Seller and all Shareholders. Purchaser shall be entitled to exclusively rely on the actions, decisions and instructions of the Seller Representative without any further investigation.

(d) The provisions of this Section 9.11 are independent and severable, shall constitute an irrevocable power of attorney, coupled with an interest and surviving death or dissolutions, granted by the Seller or the Shareholders to the Seller Representative and shall be binding upon the executors, heirs, legal representatives, successors and assigns of the Seller and each such Shareholder.

9.12 Construction; Interpretation . The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation. When a reference is made in this Agreement to Articles, Sections or Exhibits, such reference shall be to an Article or Section of, or an Exhibit to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.” The phrases “provided to,” “furnished to,” and phrases of similar import when used herein, unless the context otherwise requires, shall mean that a true, correct and complete paper copy of the information or material referred to has been

provided to the Party to whom such information or material is to be provided. Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; and (iii) the terms "hereof," "herein," "hereunder" and derivative or similar words refer to this entire Agreement.

9.13 Incorporation of Exhibits and Schedules . The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

9.14 WAIVER OF JURY TRIAL . EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT 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 THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF , the Parties hereto have executed this Agreement as of the date first written above.

ASTRO-MED, INC.

By: /s/ Gregory A. Woods
Name: Gregory A. Woods
Title: President & CEO

RUGGED INFORMATION TECHNOLOGY EQUIPMENT CORPORATION

By: _____
Name: Carl Stella
Title: President & CEO

SHAREHOLDERS:

_____
Carl C. Stella

_____
J. Roger Lazar

_____
Harry Alteri

_____
Carl Vincent Stella

_____
Dan Morge

_____
Al Ruemely

SELLER REPRESENTATIVE:

_____
Carl C. Stella

[SIGNATURE PAGE – ASSET PURCHASE AGREEMENT]

IN WITNESS WHEREOF , the Parties hereto have executed this Agreement as of the date first written above.

ASTRO-MED, INC.

By: _____
Name: Gregory A. Woods
Title: President & CEO

RUGGED INFORMATION TECHNOLOGY EQUIPMENT CORPORATION

By: /s/ Carl Stella
Name: Carl Stella
Title: President & CEO

SHAREHOLDERS:

/s/ Carl C. Stella
Carl C. Stella

/s/ J. Roger Lazar
J. Roger Lazar

/s/ Harry Alteri
Harry Alteri

/s/ Carl Vincent Stella
Carl Vincent Stella

/s/ Dan Morge
Dan Morge

/s/ Al Ruemely
Al Ruemely

SELLER REPRESENTATIVE:

/s/ Carl C. Stella
Carl C. Stella

EXHIBIT A

Form of License Agreement

See attached.

LICENSE AGREEMENT

This License Agreement (the " Agreement ") is entered into as of June 19, 2015 (the " Effective Date ") by and among, Astro-Med, Inc., a Rhode Island corporation (the " Licensor ") and Rugged Information Technology Equipment Corporation, a California corporation (the " Licensee "). The Licensor and the Licensee are sometimes referred to collectively herein as the " Parties " or individually as a " Party ." The Parties agree as follows.

RECITALS

WHEREAS, Licensor, Licensee, and certain shareholders of Licensee have entered into that certain Asset Purchase Agreement, dated as of June 18, 2015 (the " Purchase Agreement "), pursuant to which, among other things, Licensor purchased substantially all of the assets of Licensee's "Civil and Commercial Airborne Printer Business Unit", which means the civil and commercial ruggedized printer business for use on aircraft (which includes, without limitation, the development, design, manufacture and sale of printers, printer parts, and other consumables and services for aircraft, but excluding the Military Printer Business (as defined below)) (the " Acquired Business ");

WHEREAS, the Know-how (as defined below) was among the assets acquired from Licensee by Licensor pursuant to the terms of the Purchase Agreement;

WHEREAS, Licensee intends to continue to own and operate its existing "Military Airborne Printer Business Unit" that designs, develops, markets, manufactures, sells and provides certain printer products, parts, consumables, and services for use solely on aircraft that are owned or operated by a military entity (the " Military Printer Business "), and its printer business that designs, develops, markets, manufactures, sells and provides printer products, parts, consumables, and services for or in connection with all other market segments utilizing printer products on land, ground or sea, other than the Acquired Business (the " Non-Aircraft Printer Business "). Licensee desires to continue to manufacture and sell printers to military end users for use on aircraft owned or operated by the military in connection with the Military Printer Business and to continue to manufacture and sell printers in connection with its Non-Aircraft Printer Business;

WHEREAS, Licensor has agreed to grant Licensee rights to use the Know-how to design, develop, market, manufacture and sell certain products, other than for use in the Restricted Business (as defined below), pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, Licensee acknowledges and agrees that the Know-how is of substantial value to Licensor in connection with its operation of the Acquired Business and that the Licensee's use of the Know-how in connection with the Restricted Business (as defined below) would cause substantial economic harm to Licensor.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties do hereby agree as follows:

1. Definitions .

As used in this Agreement, the following terms shall have the meanings as hereinafter defined. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

1.1. " Acquired Business " has the meaning set forth in the Recitals.

1.2. " Agreement " has the meaning set forth in the Recitals.

1.3. " Confidential Information " has the meaning set forth in Section 4.

1.4. " DOD Customers " means any agency under the Department of Defense or any prime contractor or other customer that Licensee has actual knowledge sells printer related products and/or services to any agency of the Department of Defense.

1.5. " Effective Date " has the meaning set forth in the Recitals.

1.6. " Essential Elements " has the meaning set forth on Schedule A .

1.7. " Indemnified Parties " has the meaning set forth in Section 14.

1.8. " Know-how " shall mean all Intellectual Property, processes, technical information, designs and data acquired from Licensee by Licensor pursuant to the terms of the Purchase Agreement, including calculations, design sheets, bills of material, basic design data, drawings, process specifications, test data, operating instructions and procedures, performance specifications, standard operating procedures, purchase specifications, quality control criteria, engineering and manufacturing information; provided , however , that the term "Know-how" shall not include any information that was Licensor's confidential, proprietary information prior to the effective date of the Purchase Agreement.

1.9. " License " has the meaning set forth in Section 2.

1.10. " Licensed Products " shall mean those products developed, manufactured, sold or serviced by Licensee that use or employ the Know-how in the design, manufacture, use, sale, service or otherwise.

1.11. " Licensee " has the meaning set forth in the Recitals.

1.12. " Licensor " has the meaning set forth in the Recitals.

1.13. " Military Printer Business " has the meaning set forth in the Recitals.

1.14. " Net Sales Price " shall mean Licensee's invoice price for the sale of the Royalty Products, net of mark-downs, allowances and returns and exclusive of freight and delivery charges, sales taxes, value added taxes, import or export duties included in the invoice price and identified as such; provided , however , that " Net Sales Price " with respect to sales or transfers made by Licensee to an affiliated company, or to any purchaser that otherwise does not deal at arms-length with Licensee shall be deemed to mean the price at which Licensee, at the time of such sales or transfers, would have charged for the same or substantially similar items to purchasers dealing at arm's-length with Licensee.

1.15. " Non-Aircraft Printer Business " has the meaning set forth in the Recitals.

1.16. " Printer Business " has the meaning set forth in Section 9.

1.17. " Proposed Price " has the meaning set forth in Section 9.

1.18. " Purchase Agreement " has the meaning set forth in the Recitals.

1.19. " Restricted Business " means any business, whether conducted by a person, firm, partnership, corporation or other entity, that competes with the Acquired Business, except that the Restricted Business shall not include Licensee's continued ownership and operation of its Military Printer Business and ownership and operation of its Non-Aircraft Printer Business, both of which Licensee is free to continue to pursue during the term of the License and thereafter.

1.20. " ROFO " has the meaning set forth in Section 9.

1.21. " ROFO Period " has the meaning set forth in Section 9.

1.22. " Royalty Products " means the printer products described on Schedule A .

1.23. " Royalty Term " has the meaning set forth in Section 5.

2. License Grant .

2.1. Subject to the terms and conditions set forth in this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts, a worldwide, perpetual, non-exclusive and non-transferable (except as expressly set forth herein) right to use and employ Licensor's Know-how in the design, development, marketing, manufacture, and sale of the Licensed Products and related services for such products during the term of this Agreement, *except* that this license shall not apply to, or grant any rights to use Licensor's Know-how for, the design, development, marketing, manufacture, sale or service of any Licensed Product for use in the Restricted Business (the " License ").

2.2. Except as expressly granted in this Agreement, nothing herein shall confer rights to a Party in any intellectual property or proprietary information owned or controlled by the other Party. Licensee shall not use, and shall not allow its employees, contractors, consultants, representatives or agents to use, the Licensed Products or the Licensor's Know-how for any purpose other than as specifically licensed to Licensee under this Agreement.

2.3. Licensee acknowledges and agrees that the Know-how is of substantial value to Licensor in connection with its operation of the Acquired Business and that the use of the Licensed Products and the Know-how by Licensee and/or its customers and distributors in connection with the Restricted Business will cause great economic damage to the Licensor and its operation of the Acquired Business.

2.4 Licensee shall use good faith commercially reasonable efforts to determine the intended end user of any Licensed Product for customers other than any DOD Customers. If, after using such good faith commercially reasonable efforts for potential customers other than the DOD Customers, Licensee determines that a potential customer will use a Licensed Product in the Restricted Business or sell a Licensed Product for use or resale to an end user in the Restricted Business, Licensee shall not sell any Licensed Products or provide any related services to such potential customer. Licensee shall not

accept any orders for Licensed Products if the potential sale allows for use or sale of the Licensed Product in the Restricted Business.

2.5 Licensee shall not sell any Licensed Products if the sale requires Licensee to obtain Parts Manufacturing Authority ("PMA") with the Federal Aviation Administration (FAA) except that Licensee may accept orders of Licensed Products requiring PMA for use exclusively in the Military Printer Business.

2.6 In the event that Licensee becomes actually aware that a customer is utilizing any Licensed Product in the Restricted Business or selling any Licensed Product for resale or use in the Restricted Business, Licensee shall immediately cancel any shipments and discontinue all future sales of Licensed Products to such customer.

2.7 If within any two year period measured beginning on the Effective Date, a customer has purchased or submitted orders to purchase more than fifty (50) printer units of Licensed Product for use in the Military Printer Business, Licensee shall require such customer to submit a written certification that such customer has not since the Effective Date and will not in the future use any Licensed Product in the Restricted Business or sell any Licensed Product for use or resale in the Restricted Business at any time. Licensee shall refrain from fulfilling any outstanding orders for such customer until Licensee has received such written acknowledgement, in a form satisfactory to Licensee. Licensee shall send Licensor a copy of all written acknowledgements received pursuant to this Section 2.7.

2.8 On an annual basis beginning on the one year anniversary of the Effective Date, Licensee shall deliver to Licensor, upon written request of Licensor, a written certification, certifying that (1) Seller is in compliance with the restrictions set forth in this Agreement, and (2) Seller has no knowledge that any of its customers have or intend to sell any Licensed Product for use or resale in the Restricted Business.

3. Reserved .

4. Secrecy and Nondisclosure . Licensee covenants and agrees on behalf of itself and its officers, directors, employees, agents and affiliates that during the term of this Agreement and after its termination, it will hold secret and confidential, will not disclose in any manner to any person or concern (except to such of its employees, agents, and consultants as are required to use the information in connection with fulfilling Licensee's obligations under this Agreement, and only then under an obligation of secrecy binding upon such employees, agents and consultants), and will not use except under and pursuant to this Agreement any Know-how or any other information marked as "Confidential" by Licensor (collectively, the " Confidential Information "), which Licensee or any of the officers, representatives or employees of Licensee, may acquire from Licensor during the term of this Agreement; provided however , " Confidential Information " shall not include information which) (i) is now or hereafter comes into the public domain through no fault of Licensee, or (ii) was lawfully in Licensee's possession prior to its being furnished to Licensee under the terms of this Agreement and is not part of the Acquired Assets sold to Licensor pursuant to the Purchase Agreement, provided the source of that information was not known by Licensee to be bound by a confidentiality agreement with or continual, legal, or fiduciary obligation of confidentiality to Licensor, or (iii) is rightfully obtained by Licensee from a third party, without breach of any obligation to Licensor, or (iv) is independently developed by Licensee without use of or reference to the Confidential Information, or (v) is explicitly approved for release by prior written authorization of Licensor. In the event that Licensee is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena,

civil investigative demand, or similar process) to disclose any Confidential Information, Licensee will notify Licensor promptly of the request or requirement so that Licensor may seek an appropriate protective order or waive compliance with the provisions of this Section 4. If, in the absence of a protective order or the receipt of a waiver hereunder, Licensee is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, Licensee may disclose the Confidential Information to the tribunal; provided , however , that the Licensee shall use its commercially reasonable efforts to obtain, at the reasonable request of Licensor, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Licensor shall designate. Licensee acknowledges that Confidential Information is the property of Licensor and that its disclosure will result in irreparable harm to Licensor and its business. All records, notes and other written, printed or tangible materials in Licensee's possession pertaining to said Confidential Information shall be returned to Licensor upon termination of this Agreement. Licensee acknowledges and agrees that Licensee would not have an adequate remedy at law for money damages in the event that Licensee breaches the terms of this Section 4, and further agrees that Licensor shall be entitled to specific performance of the terms hereof in addition to any other remedy to which Licensor may be entitled at law or in equity.

5. Royalty Payments . For the period from the Effective Date until the five year anniversary of the Effective Date (or the earlier termination of this Agreement pursuant to Section 7 below) (the " Royalty Term "), in consideration of the rights granted by Licensor to Licensee hereunder, Licensee shall pay Licensor, in accordance with the payment provisions set forth in Section 6.2 below, a quarterly royalty equal to seven and one-half percent (7.5%) of the Net Sales Price with respect to all sales of Royalty Products by Licensee to any customers of Licensee for use in the Military Printer Business, except for (i) any sales of Licensed Products for use on any KCI0 aircraft or (ii) any sales of Licensed Products to L-3 Mission Integration, a division of L-3 Aerospace Systems, or any successor or assignee of such L-3 entities, which shall not be subject to any royalty fee. Royalties shall be payable for each quarter during the Royalty Term. Sales of any Licensed Products other than for use in the Military Printer Business shall be royalty-free for all time periods under this Agreement. From and after the five-year anniversary of the Effective Date, sales of all Royalty Products shall be royalty-free for the remaining term of this Agreement.

6. Reports and Remittances .

6.1. Licensee shall at all times keep complete and accurate records of all Royalty Products manufactured by Licensee pursuant to this Agreement and, further, shall keep complete and accurate records of all Royalty Products sold by Licensee, including the identity and business address of each purchaser and the number of Royalty Products purchased by each.

6.2. On or before the tenth (10 th) business day following the end of each quarter during the Royalty Term, Licensee shall deliver to Licensor a full statement in writing identifying all Royalty Products sold by Licensee during the immediately preceding quarter, together with a computation of royalties due to Licensor with respect to such Royalty Products pursuant to this Agreement. If Licensor shall so require, these statements shall be certified in writing as to their accuracy by the chief financial officer of Licensee. Each such statement shall be accompanied by the proper royalty then payable by Licensee to Licensor pursuant to Section 5 of this Agreement.

6.3. Licensor shall have the right, at any time during normal business hours and upon three days' advance written notice to Licensee, to have any statement provided by Licensee pursuant to Section 6.2 audited, at Licensor's expense, by an independent certified public accountant chosen by and acceptable to Licensor who shall examine the books and records of Licensee pertinent to this Agreement

and report to Licensor on the accuracy of such statements. Such records shall be kept available by Licensee for such period of time as required by the Internal Revenue Service.

6.4. Any royalty payable hereunder, if not remitted within the time period prescribed in Paragraph 6.2 above, shall be deemed delinquent. All delinquent payments shall bear interest at a rate equal to the prime rate as published in the Wall Street Journal on the day the payment becomes delinquent plus two percent (2%), provided , however , that Licensee shall be allowed a ten (10) day cure period prior to the accrual of any interest, which cure period will apply to only one delinquent payment in any twelve (12) month period. If any royalty payment due under this Agreement is not received by Licensor by the thirtieth (30th) day after notice to Licensee from Licensor that such payment is delinquent, Licensee shall pay a late charge equal to ten percent (10%) of the amount of the royalty payment due which the Parties agree is a reasonable estimate of expenses so incurred.

7. Duration and Termination .

7.1 The License granted pursuant to this Agreement shall be perpetual, unless terminated as set forth below.

7.2 The License granted pursuant to this Agreement may be terminated as follows:

(i) by mutual agreement of the Parties in writing;

(ii) by Licensor, if Licensee becomes insolvent or seeks protection, voluntarily or involuntarily, under any bankruptcy law;

(iii) by either Party upon the other Party's material breach of the representations, warranties, and covenants contained in this Agreement, the Purchase Agreement or the other Transaction Documents and such Party's failure to cure such breach within thirty (30) days of receiving written notice thereof; or

(iv) by Licensor, if Licensee is in material default of any other provision of this Agreement and such default is not cured within fifteen (15) business days after Licensee's written notice thereof; provided , however , that in the event Licensee intentionally breaches any of its obligations with respect to the restricted use of the License set forth herein, Licensor shall have the right to terminate the License immediately, in addition to exercising any of its other rights hereunder.

8. Rights After Termination .

8.1. Upon termination of this Agreement, the License will automatically and immediately terminate and Licensee shall immediately cease production, manufacturing, use and sale of the Licensed Products.

8.2. Termination of this Agreement for whatever reason shall not affect any rights or obligations accrued by either Party prior to the effective date of such termination, including but not limited to, Licensee's obligation to pay all royalties specified by Section 5.

8.3. The provisions of Sections 4, 11, 14, and 16 shall survive expiration or termination of this Agreement.

9. Reserved .

10. Assignment, Sublicensing . The rights herein granted to Licensee are non-divisible, nontransferable, and non-assignable by Licensee and without the right to grant sublicenses except with the express prior written consent of Licensor. Notwithstanding the foregoing, Licensee may assign and transfer the License in connection with a merger, consolidation or sale of substantially all of Licensee's assets or stock, provided , however , that any such assignee pursuant to the foregoing (i) is domiciled in the United States, the European Union, Canada, or Australia; (ii) has assets, capitalization and net worth at least equal to the assets, capitalization and net worth of Licensee on the Effective Date of this Agreement, as determined by generally accepted accounting principles; and (iii) expressly agrees to assume all of Licensee's duties and obligations hereunder. Notwithstanding the preceding sentence, in the event Licensee sells or transfers its Military Printer Business to any third party, Licensor shall have the right (but not the obligation), in its sole discretion, to terminate this License with respect to Licensee's right to use the Know-how in connection with the Military Printer Business, in exchange for a lump sum payment to Licensee of $200,000. In the event of any partial termination of this License pursuant to the preceding sentence, Licensee (or any assignee of Licensee pursuant to this Section 10) shall be prohibited from using the Know-how in connection with the development, manufacture, sale or service of any aircraft printer products in the Military Printer Business. Licensee shall provide Licensor with at least thirty (30) days' advance written notice of any assignment pursuant to this Section 10.

11. Disclaimer of Warranties . LICENSEE HEREBY ACKNOWLEDGES AND AGREES, LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER (INCLUDING, WITHOUT LIMITATION WITH RESPECT TO THE LICENSED PRODUCTS AND/OR THE KNOW-HOW), EITHER IN FACT OR BY OPERATION OF LAW, AND EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED OR STATUTORY WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT.

12. Compliance with Laws . In performing this Agreement both Parties agree they will comply in all material respects with all applicable laws, rules, regulations and policies and will render each other harmless and each Party shall indemnify the other for the failure of the other Party to do so.

13. Insurance .

13.1 Licensee will maintain in full force and effect at all times during which the Licensed Products are being sold pursuant to this Agreement, at Licensee's sole expense, aircraft products liability insurance coverage of at least $5,000,000.00, maintained with an insurance carrier rated A+ or better by Best's Credit Ratings.

13.2 Licensee will, from time to time, upon reasonable request by Licensor, promptly furnish or cause to be furnished to Licensor, evidence, in form and substance satisfactory to Licensor, of the maintenance of the insurance required by Section 13.1 above, including, but not limited to, originals or copies of policies, certificates of insurance (with applicable riders and endorsements) and proof of premium payments.

14. Indemnification .

14.1. Licensee hereby agrees to indemnify Licensor and its directors, officers, agents, representatives, shareholders and employees (collectively, the " Indemnified Parties "), and agrees to hold the Indemnified Parties harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any Licensed Product produced by Licensee, or the manufacture, sale, distribution or advertisement of any Licensed Products by Licensee, in violation of any international, national, state or local law or regulation, or *is* a consequence of Licensee's performance under this Agreement, or any misuse of Licensed Products, excluding any claims or suits arising out of Licensor's gross negligence or willfully misconduct. Licensor shall give Licensee prompt notice of any such claim, loss, expense or suit. Licensee will defend the same, at its own expense, through counsel of its own choice.

14.2. Should Licensee become aware of any infringement claim related to its manufacture or sale of the Licensed Products in accordance with this Agreement, Licensee shall give Licensor prompt notice of such claim or suit. Licensor shall fully cooperate with Licensee in the defense of any such claim or suit.

14.3. Licensor assumes no liability for the accuracy of any plans or specifications dealing with the Licensed Products and Licensee hereby holds Licensor harmless from and against any claim, suit, loss, damage or expense (including reasonable attorney's fees) arising out of any defect or any of the above mentioned documents. Licensor shall give Licensee prompt notice of any such claim, loss, expense or suit. Licensee will defend the same, at its own expense, through counsel of its own choice.

15. Notices . All notices, consents, approvals, or other notifications required of the Parties under this Agreement shall be delivered in accordance with the terms of Section 9.6 of the Purchase Agreement.

16. Specific Performance . Licensee acknowledges and agrees that Licensor would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached (including without limitation Licensee's (or any assignee or transferee thereof) use of the Licensed Products and the Know-how for any use or purpose other than as specifically licensed to Licensee under this Agreement), so that Licensor shall be entitled to injunctive relief to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof, in addition to any other remedy to which Licensor may be entitled, at law or in equity. In particular, Licensee acknowledges that money damages would be inadequate and Licensor would have no adequate remedy at law, so that Licensor shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and Licensee's obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief.

17. Miscellaneous .

17.1. This Agreement constitutes the entire Agreement between the Parties and supersedes all prior agreements, negotiations or discussions between the patties with respect to the subject matter hereof, and shall not be modified or amended except by an instrument in writing of subsequent date hereto duly executed by each of the parties.

17.2. Nothing contained in this Agreement shall be construed to constitute Licensee as a partner, employee or agent of Licensor, nor shall either Party have authority to bind the other in any respect except as expressly provided herein.

17.3. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Rhode Island applicable to contracts executed in and to be performed in that State. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Rhode Island and the Federal courts of the United States of America located therein solely in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or thereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Rhode Island state or federal court.

17.4. If any provision of this Agreement is found by any court of competent jurisdiction to be invalid or unenforceable, the invalidity of such provision shall not affect the other provisions of this Agreement and all provisions not affected by such invalidity shall remain in full force and effect.

17.5. The titles of the articles of this Agreement have been inserted only to facilitate reference and shall have no bearing on the construction and interpretation of this Agreement.

17.6. This Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together will constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

LICENSOR :

ASTRO-MED, INC.

By: _____

Title: _____

LICENSEE :

RUGGED INFORMATION TECHNOLOGY EQUIPMENT CORPORATION

By: _____

Title: _____

SCHEDULE A

Royalty Products

The Royalty Products consist of the following RTP80 printer products and any modifications, extensions, and derivatives thereof, which printer products contain all six of the "Essential Elements" set forth below, or any modifications, extensions, or derivatives of such Essential Elements:

i. RTP80A, Printer for AIRBUS A350 aircraft

ii. RTP80B, Printer for Bombardier CSeries aircraft

iii. RTP80-E, Printer for EMBRAER Ejets aircraft

iv. RTP80X, Printer for the BOEING 777 aircraft

TABLE OF ESSENTIAL ELEMENTS

Element	Description
Print Head	Ritec Model 2007740-001
Processor	Ritec PIN 2007645-009
Baseboard	Ritec PIN 2007640-009 Or, PIN 2010225-009 Or, PIN 2015070-009
Control Panel	Ritec PIN 2007615-019 Or, PIN 2010-224-019 Or, PIN 2010-224-019
Operating System	Linux 2.6.35 running Debian 5.0
Application S/W	Ghost Script, Version 8.05

In the event a product does not contain all six of the Essential Elements (or any modifications, extensions, or derivatives of such Essential Elements), such product shall not be considered a Royalty Product under the License Agreement.

EXHIBIT B

Form of Non-Compete Agreement

See attached.

SHAREHOLDER CONFIDENTIALITY, NON-COMPETITION, AND NON-SOLICITATION AGREEMENT

This Agreement (this " Agreement ') dated as of , 2015 (the " Effective Date ") is entered into by and between ASTRO-MED, INC., a Rhode Island corporation (" Purchaser ") and [ ] (the " Shareholder "), a shareholder of RUGGED INFORMATION TECHNOLOGY EQUIPMENT CORPORATION, a California corporation (" Seller "). Purchaser and Shareholder are referred to collectively herein as the " Parties ".

In connection with the acquisition by the Purchaser of the assets of Seller's "Civil and Commercial Airborne Printer Business Unit", that designs, develops, and provides printer products, parts, consumables and services for aircraft, excluding aircraft owned or operated by a military entity (the " Business "), and, pursuant to that certain Asset Purchase Agreement, by and among the Purchaser, the Seller, and the Shareholders (as defined therein) dated as of June [ ], 2015 (the " Purchase Agreement "), and as a condition to the consummation of such transaction, and to enable the Purchaser to secure more fully the benefits of such transaction, the Purchaser has required that the Shareholder enter into this Agreement; and the Shareholder is entering into this Agreement in order to induce the Purchaser to consummate the transactions contemplated by the Purchase Agreement.

The Acquired Assets constitute substantially all of the assets of the Business, including the goodwill of the Business, and the Shareholder has received, or will receive, significant consideration in connection with the transactions contemplated by the Purchase Agreement and for entering into this Agreement. The Shareholder has had significant exposure to the operations and business affairs of the Seller and the Business and has had access to confidential and proprietary information concerning the Business, which is of great value to the Purchaser. The Shareholder is capable of using such nonpublic, confidential and proprietary information to compete with the Purchaser after the Closing, and, as a result, could cause great economic damage to the Purchaser and its operation of the Business post-Closing. The Parties are entering into this Agreement, among other reasons, to preserve the goodwill of the Business for the benefit of the Purchaser and its Affiliates by ensuring that the neither the Seller nor the Shareholder use any of such nonpublic, confidential and proprietary information to compete, directly or indirectly, with the Purchaser during the periods hereinafter set forth.

Now, therefore, in consideration of the mutual promises herein made and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Purchaser and Shareholder agree as follows.

§1. *Definitions.* As used in this Agreement, the following terms shall have the meanings as hereinafter defined. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement

" Business " has the meaning set forth in the preface above.

" Confidential Information " means proprietary and confidential business and other information of Purchaser or Seller, including, without limitation, trade secrets, product specifications, data, know-how, formulae, processes, designs, sketches, graphs, drawings, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, supplier lists, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, and personal information; provided however, Confidential Information shall not include information which: (i) is now or hereafter comes into the public domain through no fault of the Shareholder or the Seller, or (ii) was lawfully in the Shareholder's possession prior to the Effective Date and is not part of the Acquired Assets sold to Purchaser pursuant to the Purchase Agreement, provided the source of that information was not known by the

Seller or the Shareholder to be bound by a confidentiality agreement with or continual, legal, or fiduciary obligation of confidentiality to the other party, or (iii) is rightfully obtained by Shareholder from a third party, without breach of any obligation to the Purchaser, or (iv) is independently developed by Shareholder, without use of or reference to the Confidential Information, or (v) is explicitly approved for release by prior written authorization of the Purchaser.

" Military Printer Business " has the meaning set forth in §3(c) below.

" Party " has the meaning set forth in the preface above.

" Protected Employee " has the meaning set forth in §3(d) below.

" Purchase Agreement " has the meaning set forth in the preface above.

" Purchaser " has the meaning set forth in the preface above.

" Restricted Area " has the meaning set forth in §3(c) below.

" Restricted Business " has the meaning set forth in §3(c) below.

" Restricted Period " has the meaning set forth in §3(c) below.

" Seller " has the meaning set forth in the preface above.

" Shareholders " has the meaning set forth in the preface above.

§2. *Shareholder Representations and Warranties.* Shareholder represents and warrants to Purchaser that the statements contained in this §2 are correct and complete.

(a) *Authorization.* Shareholder has full power and authority to execute and deliver this Agreement and to perform his obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Shareholder, enforceable in accordance with its terms and conditions, except to the extent such enforceability is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other law affecting or relating to creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) *Non-contravention.* Neither the execution and delivery of this Agreement by Shareholder, nor the performance by Shareholder of his obligations hereunder, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, stipulation, ruling, charge, or other restriction of any government, governmental agency, or court to which Shareholder is subject, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Shareholder is a party or by which he, her, or it is bound or to which any of his, her, or its assets are subject.

(c) *Shares.* Shareholder holds [ ] shares of Seller as of the date hereof.

§3. *Post-Closing Covenants.* The Parties agree as follows with respect to the period following the Closing:

(a) *General.* In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of the Purchase Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party.

(b) *Confidentiality.* Shareholder shall (a) maintain in confidence all Confidential Information of the

Purchaser and the Seller; (b) shall at all times comply with all applicable protection of personal information legislation, federal or provincial, with respect to personal information disclosed or otherwise provided, including any access provided to such personal information by the Seller and/or the Purchaser under this Agreement; (c) shall safeguard all Confidential Information in a manner consistent with the degree of sensitivity of the Confidential Information; (d) shall maintain at all times the security and integrity of the Confidential Information; and (e) deliver promptly to Purchaser or destroy, at the request and option of Purchaser, all tangible embodiments (and all copies) of the Confidential Information that are in his, her, or its possession. In the event that Shareholder is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, that Shareholder will notify Purchaser promptly of the request or requirement so that Purchaser may seek an appropriate protective order or waive compliance with the provisions of this §3(b). If, in the absence of a protective order or the receipt of a waiver hereunder, Shareholder is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, that Shareholder may disclose the Confidential Information to the tribunal; provided, however, that the disclosing Shareholder shall use his commercially reasonable efforts to obtain, at the reasonable request of Purchaser, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Purchaser shall designate.

(c) *Covenant Not to Compete.* As a material inducement and consideration for the Purchaser to enter into this Agreement and the Purchase Agreement, for a period of [sixty (60)]1 months from and after the Closing Date (such period of time being hereinafter called the " Restricted Period "), Shareholder hereby agrees that Shareholder shall not (alone, or as a partner, consultant, officer, director, employee, independent contractor, investor, lender, advisor, consultant or shareholder of or to any Person), within the Restricted Area (as defined below), carry on any business, or own (in whole or in part), operate, advise, assist or lend funds to or invest funds in, any person, firm, partnership, business, corporation or other entity in any manner that would aid or assist any person, firm, partnership, business, corporation or other entity to compete, in any material respect, with the Business, which the parties understand to mean the civil and commercial ruggedized printer business for use on aircraft (which includes, without limitation, the development, design, manufacture, and sale of printers, printer parts, and other consumables and the services associated therewith) (the "R estricted Business "). Notwithstanding the foregoing, the "Restricted Business" shall not include the Shareholder's continued ownership of, operation of, and/or involvement with (a) the Seller's existing "Military Airborne Printer Business Unit" that designs, develops, markets, sells and provides certain printer products, parts, consumables, and services for use on aircraft that are owned or operated by a military entity (the " Military Printer Business "); provided , however , that the products manufactured and sold by Seller in connection with the Military Printer Business shall be solely for use on aircraft that are owned and operated by a military entity, and (b) the Seller's printer business that designs, develops, markets, sells and provides printer products, parts, consumables, and services for or in connection with all other market segments utilizing printer products on land, ground or sea, other than the Restricted Business, as defined above. As used herein, the term " Restricted Area " means any state of the United States of America or any other country or geographic area in which the Seller or its respective Affiliates, directly or indirectly carries on or engages in business as of the Effective Date. During the Restricted Period, the Shareholder further agrees not to interfere with, disrupt or attempt to disrupt the relationship between the Purchaser and any third party, including without limitation any customer, supplier, employee or contractor of the Purchaser, with respect to the Restricted Business. In the event of a breach of any of the covenants set forth in this §3(c, the Purchaser will be entitled to an injunction against Shareholder, restraining such breach in addition to any other remedies provided by law or equity. Each of the Parties hereto agree that the duration and geographic scope of the provisions set forth in this §3(c) are reasonable. If any court of competent jurisdiction at any time deems the period of any restrictive covenant contained herein unreasonably lengthy, or the territory of any restrictive covenant contained herein unreasonably extensive, or any of the covenants set forth in this §3(c) not fully enforceable, the other provisions of this §3(c), and this Agreement in general, will nevertheless stand and to the full extent consistent with applicable Legal Requirements continue in full force and effect, and it is the intention and desire of the Parties that the court treat any provisions of this §3(c) which are not fully enforceable as having been modified to the extent deemed necessary by the court to render them reasonable and enforceable and that the court

1 To be 54 months for Dan Morge and Carl Vincent Stella.

enforce them to such extent (for example, that the period be deemed to be the longest period permissible by applicable Legal Requirements, but not in excess of the length provided for in this §3(c), and the territory be deemed to comprise the largest territory permissible by applicable Legal Requirements under the circumstances, but not in excess of the territory provided for in this §3(c)).

(d) *Non-Solicitation.* Unless otherwise agreed to in writing, during the Restricted Period, Shareholder will not, directly or indirectly, solicit, induce or attempt to persuade any agent, supplier or customer of the Business to terminate such agency or other relationship with the Business.

§4. *Miscellaneous.*

(a) *Press Releases and Public Announcements.* Shareholder shall not issue any press release or make any public announcement relating to the subject matter of the Purchase Agreement without the prior written approval of Purchaser.

(b) *No Third-Party Beneficiaries.* This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) *Entire Agreement.* This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(d) *Succession and Assignment.* This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his, her, or its rights, interests, or obligations hereunder without the prior written approval of Purchaser and Shareholder; provided, however, that Purchaser may assign any or all of its rights and interests hereunder to one or more of its Affiliates or in connection with a sale or transfer of the Business or all or substantially all of Purchaser's assets or the assets of Purchaser's ruggedized printer division.

(e) *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(f) *Headings.* The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) *Notices.* All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) 1 business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) 1 business day after being sent to the recipient by facsimile transmission or electronic mail, or (iv) 4 business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Purchaser:	Astro-Med, Inc. 600 East Greenwich Avenue West Warwick, RI 02893 Attn: Gregory A. Woods, President Facsimile: (401) 821-5314
Copy to:	Hinckley, Allen & Snyder LLP 100 Westminster Street, Suite 1500 Providence, RI 02903 Attn: Margaret D. Farrell, Esq. Facsimile: (401) 457-5103

If to Shareholder: _____

_____

_____

Copy to: Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP
300 Esplanade Drive, Suite 2100
Oxnard, California 93036
Attn.: Gary D. Arnold, Esq.

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Rhode Island without giving effect to any choice or conflict of law provision or rule (whether of the State of Rhode Island or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Rhode Island.

(i) *Amendments and Waivers.* No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Purchaser and Shareholder. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such default, misrepresentation, or breach of warranty or covenant.

(j) *Severability.* Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) *Expenses.* Each of the Parties will bear his, her, or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby (except as otherwise provided herein).

(l) *Construction* . The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or non-U.S. statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

(m) *Specific Performance.* Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached, so that a Party shall be entitled to injunctive relief to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof, in addition to any other remedy to which such Party may be entitled, at law or in equity. In particular, the Parties acknowledge that the Business is unique and recognize and affirm that in the event Shareholder breaches this Agreement, money damages would be inadequate and Purchaser would have no adequate remedy at law, so that Purchaser shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the other Parties’ obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief.

(n) *Submission to Jurisdiction.* Each of the Parties submits to the jurisdiction of any state or federal court sitting in the state of Rhode Island, in any action or proceeding arising out of or relating to this Agreement and

agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each Party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in §4(g) above. Nothing in this §4(n), however, shall affect the right of any Party to serve legal process in any other manner permitted by law or in equity. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

(o) *Governing Language* . This Agreement has been negotiated and executed by the Parties in English. In the event any translation of this Agreement is prepared for convenience or any other purpose, the provisions of the English version shall prevail.

* * * * *

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

PURCHASER:

ASTRO-MED, INC.

By: _____

Title: _____

SHAREHOLDER:

_____

[ ]

EXHIBIT C

Form of Transition Services Agreement

See attached.

EXHIBIT D

Form of Escrow Agreement

See attached.

ESCROW AGREEMENT

This Escrow Agreement (this " Agreement ") is made and entered into as of June 19, 2015 by and among Astro-Med, Inc., a Rhode Island corporation (" Purchaser "), Rugged Information Technology Equipment Corporation, a California corporation (" Seller "), and Wells Fargo Bank, National Association a national banking association, as escrow agent (the " Escrow Agent ").

RECITALS

W HEREAS , Purchaser, Seller, and certain shareholders of Seller (the " Shareholders ") have entered into that certain Asset Purchase Agreement, dated June 18, 2015 (the " Purchase Agreement "), pursuant to which Purchaser has agreed to purchase and Seller has agreed to sell certain assets used in connection with the Business (as defined in the Purchase Agreement). Capitalized terms used but not defined in this Agreement shall have the meanings given to such terms in the Purchase Agreement; provided, however, that the Escrow Agent will not be responsible for determining or making any inquiry into any term, capitalized or otherwise, not defined herein;

W HEREAS , pursuant to Section 2.5 of the Purchase Agreement, Purchaser shall deposit with the Escrow Agent in an escrow account (the " Escrow Fund ") cash in the amount of $750,000.00 (the " Escrow Cash ") to satisfy and secure certain indemnification obligations of Seller in favor of Purchaser and the other Indemnified Persons set forth in Article VIII of the Purchase Agreement;

W HEREAS , Purchaser and Seller hereby acknowledge that the Escrow Agent is not a party to, is not bound by, and has no duties or obligations under, the Purchase Agreement, that all references in this Agreement to the Purchase Agreement are for convenience, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Agreement;

W HEREAS , the parties hereto desire to set forth in this Agreement the terms and conditions pursuant to which the Escrow Fund will be established and maintained; and

W HEREAS , a material condition to the consummation of the transactions contemplated by the Purchase Agreement is that the parties hereto enter into this Agreement.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. Escrow Fund .

(a) Escrow of Funds.

(i) Escrow Cash. On the date hereof, in accordance with the Purchase Agreement, Purchaser shall deliver the Escrow Cash by wire transfer to the Escrow Agent and the Escrow Agent shall deposit such Escrow Cash in the Escrow Fund.

(ii) Appointment of Escrow Agent. The Escrow Agent hereby agrees to act as escrow agent and to accept delivery of, and to hold, safeguard and disburse the Escrow Cash and the Escrow Earnings (as defined below), in each case in accordance with this Agreement.

(b) Investment and Earnings.

(i) Investment of the Escrow Cash. The Escrow Cash shall be initially invested by the Escrow Agent into the Wells Fargo Money Market Fund Deposit Accounts (MMDA) per the attached Exhibit C , and in such other securities as may be directed in writing jointly by Purchaser and Seller.

(ii) Escrow Earnings. Any interest, earnings and income that accrues upon the Escrow Cash during the period of time during which the Escrow Cash is held in the Escrow Fund (the " Escrow Earnings ") shall not be deemed to be part of the Escrow Cash, shall be held in the Escrow Fund for the benefit of Seller and shall be distributed to Seller within five (5) Business Days following the expiration of the Claims Period (as defined below). For tax reporting purposes, any Escrow Earnings shall be allocated as set forth in Section 7 hereof.

(iii) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. Except in the case of gross negligence or willful misconduct, the Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with anyone or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

2. Escrow Cash Payments. Except as provided in this Section 2 or Section 3 of this Agreement or as otherwise agreed in advance in writing by Purchaser and Seller, Escrow Agent shall not release any portion of the Escrow Cash. Promptly and in any event within two (2) Business Days of any resolution of a Notice of Claim determined in accordance with Section 8.8 of the Purchase Agreement, Purchaser and Seller shall deliver a joint written instruction to the Escrow Agent setting forth the amount of the Escrow Cash, if any, to be paid to Purchaser and the Escrow Agent shall promptly pay to the Purchaser from the Escrow Fund, via wire transfer of immediately available funds, the amount set forth in such joint written instruction.

3. Release from Escrow.

(a) Release of Escrow Cash. Within five (5) Business Days following the expiration of the period ending on the last day of the twelve-month period following the date hereof (the " Claims Period "), Purchaser and Seller shall deliver a joint written instruction (setting forth the relevant calculations and amounts, if any, described in clauses (i) and (ii) below) to the Escrow Agent, and the Escrow Agent shall release from the Escrow Fund and deliver to Seller all of the Escrow Cash, *less* (i) any Escrow Cash previously delivered to

Purchaser by the Escrow Agent in satisfaction of Claims by Purchaser or other Indemnified Persons pursuant to Section 2 above, and (ii) any Escrow Cash to be held by the Escrow Agent with respect to pending, unresolved, unsatisfied or disputed claims for Indemnifiable Damages specified in any Notice of Claim delivered to Seller Representative and the Escrow Agent on or before 11:59 p.m. Eastern Time on final day of the Claims Period. Any Escrow Cash to be held by the Escrow Agent after the expiration of the Claims Period pursuant to clause (ii) of the preceding sentence shall be released to Purchaser or Seller, as appropriate, as soon as (A) all such Claims have been resolved in accordance with the terms of Section 8.8 of the Purchase Agreement and (B) Purchaser and Seller have delivered a joint written instruction to the Escrow Agent pursuant to Section 2 of this Agreement.

(b) Method of Delivery of Escrow Cash and Escrow Earnings. The Escrow Agent shall deliver to Seller or to Purchaser, as applicable, the requisite amount of the Escrow Cash and the Escrow Earnings to be released on such applicable date as is called for by this Agreement by wire transfer of immediately available funds. Any portion of the Escrow Cash and the Escrow Earnings released to Seller shall be released to Seller's bank account designated on Exhibit A hereto. Any portion of the Escrow Cash released to Purchaser shall be released to Purchaser's bank account designated on Exhibit A hereto.

(c) No Transfer or Encumbrance. Except as otherwise provided in Section 7 below, none of the Escrow Cash, the Escrow Earnings or any beneficial interest therein may be pledged, encumbered, sold, assigned or transferred (including any transfer by operation of law), by Purchaser or Seller or be taken or reached by any legal or equitable process in satisfaction of any debt or other liability of Purchaser or Seller prior to the delivery of any such portion of the Escrow Cash or the Escrow Earnings out of the Escrow Fund to Purchaser or Seller, as applicable, by the Escrow Agent in accordance with this Agreement.

(d) Power to Transfer the Escrow Cash and the Escrow Earnings.

(i) The Escrow Agent is hereby granted the power to effect any transfer of any portion of the Escrow Cash or the Escrow Earnings contemplated by this Agreement.

(ii) The Escrow Agent shall not transfer any of the Escrow Cash held in the Escrow Fund to any Indemnified Person pursuant to a Notice of Claim until the Claim specified therein has been resolved in accordance with Article VIII of the Purchase Agreement. Upon such resolution, the Escrow Agent shall be entitled to rely on (i) a joint written instruction from Purchaser and Seller that Seller Representative has consented to recovery by an Indemnified Person of uncontested Claims or (ii) a written settlement agreement executed by Purchaser and Seller or a final court order or judgment resolving a Contested Claim pursuant to Section 8.8 of the Purchase Agreement, and shall (A) transfer the Escrow Cash or a portion thereof, as applicable, to Purchaser, (B) retain the Escrow Cash or a portion thereof, as applicable, in the Escrow Fund or (C) transfer the Escrow Cash or a portion thereof, as applicable, to Seller, in accordance with either such written notice, written settlement agreement or court order or judgment. Any final court order shall be accompanied by a certificate of the presenting party to the effect that such judgment is final and from a court of competent jurisdiction upon which certificate the Escrow Agent shall be entitled to conclusively rely without further investigation.

(e) Termination. Upon the disbursement of all of the assets in the Escrow Fund, including any interest and investment earnings thereon, this Agreement shall terminate and be of no further force and effect except that the provisions of Sections 4(c) and 4(d) hereof shall survive termination.

(f) Security Procedure For Funds Transfers . The Escrow Agent shall confirm each funds transfer instruction received in the name of a Party by means of the security procedure selected by such Party and communicated to the Escrow Agent through a signed certificate in the form of Exhibit D-l or Exhibit D-2 attached hereto, which upon receipt by the Escrow Agent shall become a part of this Escrow Agreement. Once delivered to the Escrow Agent, Exhibit D-l or Exhibit D-2 may be revised or rescinded only by a writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit D-l or D-2 or a rescission of an existing Exhibit D-l or D-2 is delivered to the Escrow Agent by an entity that is a successor-in-interest to such Party, such document shall be accompanied by additional documentation reasonably satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Party under this Escrow Agreement. The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions pursuant to the security procedure selected by such Party may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay unless such delay is due to the gross negligence or willful misconduct of the Escrow Agent.

4. Limitation of Escrow Agent's Liability.

(a) Scope of Responsibility. The Escrow Agent shall only have those duties as are expressly set forth in this Agreement, which duties are ministerial in nature, and no implied duties shall be read into this Agreement. Under no circumstance will the Escrow Agent be deemed to be a fiduciary to any party or any other person under this Agreement. The Escrow Agent shall incur no liability with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other document believed by it to be genuine and duly authorized, nor for any other action or inaction, except its own willful misconduct or gross negligence. The Escrow Agent shall have no duty to inquire into or investigate the validity, accuracy or content of any document delivered to it. The Escrow Agent shall not be responsible for the. validity or sufficiency of this Agreement. In all questions arising under this Agreement, the Escrow Agent may rely on the advice or opinion of counsel, and for anything done, omitted or suffered in good faith by the Escrow Agent based on such advice, the Escrow Agent shall not be liable to anyone, other than for any action or omission which constitutes gross negligence or willful misconduct. The Escrow Agent shall not be required to take any action hereunder involving any expense unless it shall have been furnished with reasonable indemnification. The Escrow Agent shall have no duties or responsibilities other than those expressly set forth in this Agreement and the implied duty of good faith and fair dealing. The Escrow Agent, acting as such under this Agreement, is not charged with knowledge of or any duties or responsibilities under any other document or agreement, including, without limitation, the Purchase Agreement, except to the extent provided by this Agreement.

(b) Resolution of Conflicting Demands. In the event conflicting demands are

made or conflicting notices are served upon the Escrow Agent with respect to the Escrow Fund, the Escrow Agent shall have the absolute right, at the Escrow Agent's election, to do any of the following: (i) resign so a successor escrow agent can be appointed pursuant to Section 6 hereof; (ii) file a suit in interpleader and obtain an order from a court of competent jurisdiction requiring the parties to interplead and litigate in such court their several claims and rights among themselves; or (iii) give written notice to Purchaser and Seller that it has received conflicting instructions and is refraining from taking action until it receives instructions consented to in writing by both Purchaser and Seller. In the event an interpleader suit as described in clause (ii) above is brought, the Escrow Agent shall thereby be fully released and discharged from all further obligations imposed upon it under this Agreement with respect to the matters that are the subject of such interpleader suit, and one-half of all out-of-pocket costs, all expenses and reasonable attorneys' fees expended or incurred by the Escrow Agent pursuant to the exercise of Escrow Agent's rights under this Section 4(b), shall be paid by Purchaser and Seller.

(c) Indemnification. Each of Purchaser and Seller, jointly and severally (each an " Indemnifying Party " and together the " Indemnifying Parties "), hereby covenants and agrees to reimburse, indemnify and hold harmless the Escrow Agent, the Escrow Agent's officers, directors, employees, counsel and agents (severally and collectively, the " Escrow Agent Indemnitees "), from and against any loss, damage, liability or loss suffered, incurred by, or asserted against Escrow Agent Indemnitees (including amounts paid in settlement of any action, suit, proceeding, or claim brought or threatened to be brought and including reasonable expenses of legal counsel) arising out of, or relating in any way to this Escrow Agreement or any transaction' to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by the willful misconduct or gross negligence of the Escrow Agent. The provisions of this Section 4(c) shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

(d) Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (1) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR (II) SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

(e) Notice to Indemnifying Parties. The Escrow Agent shall notify each Indemnifying Party by letter or facsimile, confirmed by letter, of any receipt by an Escrow Agent Indemnitee of a written assertion of a claim against an Escrow Agent Indemnitee, or any action commenced against an Escrow Agent Indemnitee, within fifteen (15) Business Days after an Escrow Agent Indemnitee's receipt of written notice of such claim. However, the Escrow Agent's failure to so notify each Indemnifying Party shall not operate in any manner whatsoever to relieve an Indemnifying Party from any liability that it may have otherwise on account of this Section 4, except to the extent that such Indemnifying Party is prejudiced by the Escrow Agent's failure.

(f) Use of Agents. The Escrow Agent shall be entitled to rely on and shall not be liable, except in the case of its gross negligence or willful misconduct, for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counselor other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 4(c) above for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

(g) Liability for Other Parties. In no event shall the Escrow Agent have any liability for any failure or inability of any of the other parties hereto to perform or observe its duties under the Agreement, or by reason of a breach of this Agreement by any of the other parties hereto. In no event shall the Escrow Agent be obligated to take any action against any of the other parties hereto to compel performance hereunder.

(h) Legal Proceedings. The Escrow Agent shall in no instance be obligated to commence, prosecute or defend any legal proceedings in connection herewith. The Escrow Agent shall be authorized and entitled, however, to commence, prosecute or defend any legal proceedings in connection herewith, including without limitation any proceeding it may deem necessary to resolve any matter or dispute, to obtain a necessary declaration of rights, or to appoint a successor upon resignation (and after failure by Purchaser to appoint a successor, as provided in Section 6 below).

(i) Ambiguity. In the event of any ambiguity or uncertainty under this Agreement, the Escrow Agent may, in its discretion, refrain from taking action, and may retain the Escrow Cash then held by it until and unless it receives written instruction signed by Purchaser and Seller that eliminates such uncertainty or ambiguity.

(j) Self-Dealing. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Agreement, to deal with itself (in its individual capacity) or with anyone or more of its affiliates, whether it or such affiliate is acting as a subagent of the Escrow Agent or for any third person or dealing as principal for its own account.

(k) Distribution. Notwithstanding any term appearing in this Agreement to the contrary, in no instance shall the Escrow Agent be required or obligated to distribute any of the Escrow Cash (or take other action that may be called for hereunder to be taken by the Escrow Agent) sooner than two (2) Business Days after (i) it has received the applicable documents required under this Agreement in good form, or (ii) passage of the applicable time period (or both, as applicable under the terms of this Agreement), as the case may be.

(l) Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of Purchaser or Seller or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Agreement, Purchaser and Seller shall deliver to the Escrow Agent Exhibit D-1 and Exhibit D-2, which

contain authorized signer designations in Part I thereof.

5. Compensation and Expenses of Escrow Agent . All fees and expenses of the Escrow Agent incurred in the ordinary course of performing its responsibilities hereunder, as set forth on the Escrow Agent's fee schedule attached hereto as Exhibit B, shall be paid on the date hereof by Purchaser. Subject to Section 4(c) above, any extraordinary fees and expenses, including, without limitation, any fees or expenses incurred by the Escrow Agent in connection with a dispute over the distribution of the Escrow Cash or the validity of a Notice of Claim shall be paid one-half by Purchaser and one-half by Seller, upon receipt of a written invoice by Escrow Agent. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Cash with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Cash.

6. Successor Escrow Agent . In the event the Escrow Agent becomes unavailable or unwilling to continue in its capacity as the Escrow Agent, the Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving notice of its resignation to the parties to this Agreement, specifying a date not less than thirty (30) days following such notice date of when such resignation shall take effect. Purchaser may appoint a successor escrow agent with the consent of Seller, which consent shall not be unreasonably withheld, prior to the expiration of such thirty (30)-day period by giving written notice to the Escrow Agent. If no successor escrow agent is named by Purchaser, the Escrow Agent shall apply to a court of competent jurisdiction for the appointment of a successor escrow agent. The Escrow Agent shall promptly transfer the Escrow Cash to such designated successor, less any fees and expenses then due and owing to the Escrow Agent.

It is further understood that any corporation into which the Escrow Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion. or consolidation to which the Escrow Agent in its individual capacity shall be a party, or any corporation to which substantially all the corporate trust business of the Escrow Agent in its individual capacity (including the administration of this Agreement) may be transferred, shall be the Escrow Agent under this Agreement without further act.

7. Tax Reporting Documentation.

(a) Prior to the date hereof, Purchaser and Seller shall provide the Escrow Agent with a certified tax identification number by furnishing appropriate forms W-9 or W-8 and such forms and documents that the Escrow Agent may reasonably request (collectively, " Tax Reporting Documentation "). The parties hereto understand that, if such Tax Reporting Documentation is not so certified to the Escrow Agent, the Escrow Agent shall be required by the Internal Revenue Code of 1986, as it may be amended from time to time (the " Code "), to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Escrow Agent pursuant to this Agreement.

(b) The parties hereto agree that, for tax reporting purposes, all of the Escrow Earnings, if any, attributable to the Escrow Cash, held in the Escrow Fund by the Escrow Agent pursuant to this Agreement shall be allocable to Seller. Purchaser and Seller hereto further understand that a portion of the payment of the Escrow Cash shall be treated as imputed interest to the extent required by the Code.

8. General.

(a) **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and shall be hand delivered in person, sent by facsimile, sent by certified or registered first-class mail, postage pre-paid, or sent by nationally recognized express courier service for next business day delivery. Such notices and other communications shall be effective upon receipt if hand delivered or sent by facsimile, three business days after mailing if sent by mail, and one business day after dispatch if sent by express courier, to the following addresses, or such other addresses as any party may notify the other parties in accordance with this Section 8:

If to the Escrow Agent:	
	by first class mail, to: Wells Fargo Bank, National Association. 150 East 42nd Street 40th Floor New York, NY 10017 Attn: Donna Nascimento; Corporate, Municipal & Escrow Solutions Tel: (917) 260 1552 Facsimile: (917) 260 1592 E-mail: donna.nascimento@wellsfargo.com
If to Purchaser:	Astro-Med, Inc. 600 East Greenwich Avenue West Warwick, RI 024893 Attn: Gregory A. Woods, President Facsimile: (401) 821-5314
Copy to:	Hinckley, Allen & Snyder LLP 50 Kennedy Plaza, Suite 1500 Providence, RI 02903 Attn: Margaret D. Farrell, Esq. Facsimile: (401) 457-5103
If to the Seller:	Rugged Information Technology Equipment Corporation 25 East Easy Street Simi Valley, CA 93065 Attn: Carl C. Stella Facsimile:

Copy to: Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP
300 Esplanade Drive, Suite 2100
Oxnard, California 93036
Attn.: Gary D. Arnold, Esq.

Notwithstanding the foregoing, notices and the like addressed to the Escrow Agent shall be effective only upon receipt. If any Notice of Claim, objection thereto or other notice or document of any kind is required to be delivered to the Escrow Agent and any other person, the Escrow Agent may assume that such document was received by such other person on the date on which it was received by the Escrow Agent, and the Escrow Agent need not verity or inquire into such receipt.

(b) Governing Law. The internal laws of the State of Rhode Island, irrespective of its choice of law principles, shall govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereto.

(c) Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

(d) Entire Agreement. This Agreement and the exhibits hereto constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, among the parties with respect hereto. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.

(e) Waivers. No waiver by any party hereto of any condition or of any breach of any provision of this Agreement shall be effective unless in writing. No waiver by any party of any such condition or breach in anyone instance shall be deemed to be a further or continuing waiver of any such condition or breach or a waiver of any other condition or breach of any other provision contained herein.

(f) Amendment. This Agreement may be amended by the written agreement of Purchaser, the Escrow Agent and Seller; provided that, if the Escrow Agent does not agree to an amendment other than an amendment adversely affecting the rights or protections of the Escrow Agent, agreed upon by Purchaser and Seller, the Escrow Agent shall resign and Purchaser shall appoint a successor escrow agent in accordance with Section 6 above.

(g) Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or

military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(h) Reproduction of Documents. This Agreement and all documents relating hereto, including, without limitation, (i) consents, waivers and modifications which may hereafter be executed, and (ii) certificates and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, optical disk, micro-card, miniature photographic or other similar process. The parties hereto agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further reproduction shall likewise be admissible in evidence.

(i) Publication; Disclosure . By executing this Escrow Agreement, the Parties and the Escrow Agent acknowledge that this Escrow Agreement (including related attachments) contains certain information that is sensitive and confidential in nature and agree that such information needs to be protected from improper disclosure, including the publication or dissemination of this Escrow Agreement and related information to individuals or entities not a party to this Escrow Agreement. The Parties further agree to take reasonable measures to mitigate any risks associated with the publication or disclosure of this Escrow Agreement and information contained therein, including, without limitation, the redaction of the manual signatures of the signatories to this Escrow Agreement, or, in the alternative, publishing a conformed copy of this Escrow Agreement. If a Party must disclose or publish this Escrow Agreement or information contained therein pursuant to any regulatory, statutory, or governmental requirement, as well as any judicial, or administrative order, subpoena or discovery request, it shall notify in writing the other Party and the Escrow Agent at the time of execution of this Escrow Agreement of the legal requirement to do so. If any Party becomes aware of any threatened or actual unauthorized disclosure, publication or use of this Escrow Agreement, that Party shall promptly notify in writing the other Parties and the Escrow Agent and the disclosing Party shall be liable for any unauthorized release or disclosure.

[Remainder of Page Intentionally Left Blank]

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

RUGGED INFORMATION TECHNOLOGY EQUIPMENT CORPORATION

By: _____

Name: Carl Stella

Title: President & CEO

Signature Page to Escrow Agreement

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

WELLS FARGO BANK, NATIONAL ASSOCIATION,
solely in its capacity as Escrow Agent hereunder

By: _____
Name:
Title:

Signature Page to Escrow Agreement

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

ASTRO-MED, INC.

By: _____
Name: Gregory A. Woods
Title: President & CEO

Signature Page to Escrow Agreement

EXHIBIT A

Bank Account Information

(see attached)

Exhibit B

See attached.

Exhibit C

Agency and Custody Account Direction
For Cash Balances
Wells Fargo Money Market Deposit Accounts

Direction to use the following Wells Fargo Money Market Deposit Accounts for Cash Balances for the escrow account or accounts (the "Account") established under the Escrow Agreement to which this Exhibit C is attached.

In the absence of complete, joint written investment instructions, Escrow Agent is hereby directed to deposit Escrow Funds as indicated below, or as we shall direct further in writing from time to time, all cash in the Account(s) in the following money market deposit account of Wells Fargo Bank, National Association (the "Bank"):

Wells Fargo Money Market Deposit Account (MMDA)

We understand that amounts on deposit in the MMDA are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of $250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of $250,000. We understand that deposits in the MMDA are not secured.

We acknowledge that we have full power to direct investments of the Account(s).

We understand that we may change this direction at any time and that it shall continue in effect until revoked or modified by us by written notice to you.

EXHIBIT D-1

Astro-Med, Inc. (the "Party1") certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit D-I identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of Party1, and that the option checked in Part III of this Exhibit D-1 is the security procedure selected by Party1 for use in verifying that a funds transfer instruction received by the Escrow Agent is that of Party1.

Party1 has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit D-1 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit D-1, Partyl acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by Partyl.

NOTICE : The security procedure selected by Partyl will not be used to detect errors in the funds transfer instructions given by Partyl. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that Party1 take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of Party1

Name	Title	Telephone Number	E-mail Address	Specimen Signature
Gregory Woods	CEO	401-828-4000	gwoods@astromed.com	
Joseph O'Connell	Treasurer and CFO	401-828-4000 x 249	JOConnell@astromed.com	
Erik Mancyak	VP and Controller	401-828-4000 x 280	EMancyak@astromed.com	

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

Name	Title	Telephone Number	E-mail Address
Gregory Woods	CEO	401-828-4000	gwoods@astromed.com
Joseph O'Connell	Treasurer and CFO	401-828-4000 x 249	JOConnell@astromed.com
Erik Mancyak	VP and Controller	401-828-4000 x 280	EMancyak@astromed.com

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit D-1.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.

X *Option 2. Confirmation by e-mail*. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit D-1. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit D-1. Party1 understands the risks associated with communicating sensitive matters, including time sensitive matters, bye-mail. Party1 further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

Option 3. Delivery of funds transfer instructions by password protected file transfer system only-no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If Party1 wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If Party1 chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.

Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by telephone call-back or e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

Dated this day of June, 2015.

By _____
Name: Joseph O'Connell
Title: Treasurer & CFO

EXHIBIT D-2

Rugged Information Technology Equipment Corporation (the "Party2") certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit D-2 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of Party2, and that the option checked in Part III of this Exhibit D-2 is the security procedure selected by Party2 for use in verifying that a funds transfer instruction received by the Escrow Agent is that of Party2.

Party2 has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit D-2 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit D-2, Party2 acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by Party2.

NOTICE : The security procedure selected by Party2 will not be used to detect errors in the funds transfer instructions given by Party2. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that Party2 take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of Party2

Name	Title	Telephone Number	E-mail Address	Specimen Signature
Carl Stella	President	(805) 577-9710	carl@ritecrugged.com	

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

Name	Title	Telephone Number	E-mail Address
Carl Stella	President	(805) 577-9710	carl@ritecrugged.com

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit D-2.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.

X *Option 2. Confirmation by e-mail*. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit D-2. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit D-2. Party2 understands the risks associated with communicating sensitive matters, including time sensitive matters, bye-mail. Party2 further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If Party2 wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If Party2 chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.

Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by telephone call-back or e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

Dated this day of , 2015.

By _____

Name:
Title:

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

COMMON STOCK

PAR VALUE $0.05

COMMON STOCK

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

Certificate Number

ZQ00000000

Shares

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ASTRO-MED, INC

ORGANIZED UNDER THE LAWS OF THE STATE OF RHODE ISLAND

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE

CUSIP 04638F 10 8

SEE REVERSE FOR CERTAIN DEFINITIONS

is the owner of

ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF $.05 PAR VALUE OF

ASTRO-MED INC. (herein called the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be subject to all of the provisions of the Articles of Incorporation and the By-Laws of the Corporation as amended from time to time. This certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

President and Chief Executive Officer

Senior Vice President, Treasurer and Chief Financial Officer

ASTRO-MED, INC INCORPORATED SEAL 1969 RHODE ISLAND

DATED DD-MMM-YYYY

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

ASTRO-MED INC

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 12345678912345

Certificate Numbers	Num/No.	Denom.	Total
1234567890123456789	1	1	1
1234567890123456789	2	2	2
1234567890123456789	3	3	3
1234567890123456789	4	4	4
1234567890123456789	5	5	5
1234567890123456789	6	6	6
Total Transaction			7

ASTRO-MED, INC.

THE CORPORATION WILL FURNISH TO ANY SHAREHOLDER UPON REQUEST AND WITHOUT CHARGE A FULL STATEMENT OF THE DESIGNATIONS, PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS OF THE SHARES OF EACH CLASS OF CAPITAL STOCK AUTHORIZED TO BE ISSUED BY THE CORPORATION, THE VARIATIONS IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES OF ANY PREFERRED OR SPECIAL CLASS OF CAPITAL STOCK, SO FAR AS THE SAME MAY HAVE BEEN FIXED AND DETERMINED, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO FIX AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF SUBSEQUENT SERIES.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	- _____ Custodian _____ (Cust) (Minor) under Uniform Gifts to Minors Act _____ (State)
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	- _____ Custodian (until age _____) (Cust) _____ under Uniform Transfers to Minors Act _____ (Minor) (State)

Additional abbreviations may also be used though not in the above list.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, _____ hereby sell, assign and transfer unto

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

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Exhibit 21

LIST OF SUBSIDIARIES OF THE COMPANY

Name	Jurisdiction of Organization
AWO, Inc.	Delaware
Astro-Med GmbH	Germany
Astronova Limited	Ireland
AstroNova Aerospace, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Nos. 333-24123, 333-32315, 333-93565, 333-62431, 333-44414, 333-63526, 333-143854 and 333-204619) on Form S-8 of Astro-Med, Inc. of our report dated April 8, 2016, related to our audit of the consolidated financial statements and the financial statement schedule, which appear in this Annual Report on Form 10-K for the year ended January 31, 2016.

/s/ Wolf & Company, P.C.

Boston, Massachusetts
April 8, 2016

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory A. Woods certify that:

1. I have reviewed this annual report on Form 10-K of Astro-Med, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on our evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date April 8, 2016

/ S / G REGORY A. W OODS

Gregory A. Woods
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph P. O'Connell certify that:

1. I have reviewed this annual report on Form 10-K of Astro-Med, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on our evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date April 8, 2016

/ S / J OSEPH P. O'C ONNELL

Joseph P. O'Connell
Senior Vice President, Treasurer and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Astro-Med Inc.

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Astro-Med, Inc. (the "Company") on Form 10-K for the year ended January 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory A. Woods, Chief Executive Officer, hereby certify, pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 8th day of April, 2016

/ S / G REGORY A. W OODS

Gregory A. Woods
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Astro-Med, Inc. and will be retained by Astro-Med, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Astro-Med Inc.

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Astro-Med, Inc. (the "Company") on Form 10-K for the year ended January 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph P. O'Connell, Senior Vice President, Treasurer and Chief Financial Officer, hereby certify, pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 8th day of April, 2016

/ S / J OSEPH P. O'C ONNELL

Joseph P. O'Connell
Senior Vice President, Treasurer and Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Astro-Med, Inc. and will be retained by Astro-Med, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.