

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): November 28, 2016

THE FEMALE HEALTH COMPANY

(Exact name of registrant as specified in its charter)

Wisconsin

(State or other jurisdiction of incorporation)

1-13602

(Commission File Number)

39-1144397

(I.R.S. Employer I.D. Number)

4400 Biscayne Boulevard
Suite 888
Miami, Florida

(Address of Principal Executive Offices)

33137

(Zip Code)

312-595-9123

(Registrant's telephone number, including area code)

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Section 1 – Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On November 28, 2016, The Female Health Company (the "Company") entered into a Third Amendment (the "Amendment") to its Credit Agreement (the "Credit Agreement") with BMO Harris Bank, N.A. (the "Bank"). Pursuant to the Amendment, the Bank waived the defaults in the Company's compliance with the covenants in the Credit Agreement as a result of the completion of the merger transaction with Aspen Park Pharmaceuticals, Inc. ("APP") on October 31, 2016 and APP became a co-borrower under the Credit Agreement. As a result, the revolving line of credit remains in effect under the terms of the Credit Agreement until the end of its term on December 29, 2017.

In connection with the Amendment, APP entered into a General Security Agreement dated as of November 28, 2016 (the "Security Agreement") and an Intellectual Property Security Agreement dated as of November 28, 2016 (the "IP Security Agreement"), pursuant to which APP's obligations under the Credit Agreement are secured by a lien against substantially all of the assets of APP. In addition, pursuant to a Stock Pledge Agreement dated as of November 28, 2016 (the "Pledge Agreement"), the Company's obligations under the Credit Agreement are secured by a pledge of all of the outstanding shares of APP.

The foregoing description of the Amendment, the Security Agreement, the IP Security Agreement and the Pledge Agreement does not purport to be complete and is qualified in its entirety by the full text of such agreements, copies of which are attached as exhibits hereto and are incorporated herein by reference.

A copy of a press release announcing the Amendment is attached to this report as Exhibit 99.6 and is incorporated herein by reference.

Section 2 – Financial Information

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

The information contained in Item 1.01 of this report is incorporated herein by reference.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 -- Third Amendment to Credit Agreement, dated as of November 28, 2016, among The Female Health Company, Aspen Park Pharmaceuticals, Inc., Badger Acquisition Sub, Inc. and BMO Harris Bank, N.A.

99.2 -- Amended and Restated Revolving Note, dated November 28, 2016, from The Female Health Company and Aspen Park Pharmaceuticals, Inc. to BMO Harris Bank, N.A.

99.3 -- General Security Agreement, dated as of November 28, 2016, between Aspen Park Pharmaceuticals, Inc. and BMO Harris Bank, N.A.

99.4 -- Intellectual Property Security Agreement, dated as of November 28, 2016, between Aspen Park Pharmaceuticals, Inc. and BMO Harris Bank, N.A.

99.5 -- Stock Pledge Agreement, dated as of November 28, 2016, between The Female Health Company and BMO Harris Bank, N.A.

99.6 -- Press Release, dated November 29, 2016.

SIGNATURES

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

Date: November 30, 2016

THE FEMALE HEALTH COMPANY

BY /s/ Daniel Haines
Daniel Haines, Chief Operating Officer and
Chief Financial Officer

**Third Amendment
to
Credit Agreement**

This Third Amendment to Credit Agreement (herein, the “Third Amendment”) is dated as of November 28, 2016 and entered into by and between THE FEMALE HEALTH COMPANY, a Wisconsin corporation (“FHC”), ASPEN PARK PHARMACEUTICALS, INC., a Delaware corporation (“APP”), BADGER ACQUISITION SUB, INC., a Delaware corporation (“FHC Subsidiary”), and BMO HARRIS BANK N.A., a national banking association (the “Lender” or the “Bank”).

Recitals

A. FHC and Lender heretofore executed and delivered that certain Credit Agreement dated as of December 29, 2015 (“the “Original Credit Agreement”), as amended by that certain First Amendment and Waiver to Credit Agreement and Security Agreement dated as of January 4, 2016 (“First Amendment”) and that certain Consent and Amendment to Credit Agreement dated as of March 31, 2016 (“Second Amendment”; the Original Credit Agreement, as amended by the First Amendment and Second Amendment, collectively, the “Existing Credit Agreement”).

B. FHC has heretofore executed and delivered to the Lender that certain General Security Agreement dated as of December 29, 2015, as heretofore amended (the “Security Agreement”) and certain other Collateral Documents, including without limitation the Pledge Agreement, to secure the Obligations.

C. FHC Subsidiary and Blue Hen Acquisition, Inc. (“Blue Hen”) heretofore executed and delivered to Lender that certain Guaranty Agreement dated as of April 1, 2016 (the “Guaranty”) as required by the Existing Credit Agreement.

D. FHC Subsidiary and Blue Hen heretofore executed and delivered to Lender that certain General Security Agreement dated as of April 1, 2016, as heretofore amended, to secure the Obligations.

E. On or about October 31, 2016, FHC, Blue Hen and APP entered into that certain Amended and Restated Agreement and Plan of Merger dated as of October 31, 2016 by and among FHC, Blue Hen and APP (“Merger Agreement”).

F. In accordance with the terms of the Merger Agreement, Blue Hen merged with and into APP (the “Merger”) with APP becoming the surviving entity and Blue Hen’s legal existence as a separate entity ceasing.

G. As a result of the Merger, APP became a Wholly owned Subsidiary of FHC.

H. Prior to the date hereof, the following Default and Event of Default has occurred as a result of the Merger: (a) failure to comply with Section 7.4 of the Existing Credit Agreement; (b) the occurrence of a Change of Control; and (c) the failure to comply with any other provision contained in the Existing Credit Agreement as a result of the Merger, including Sections 6.1, 6.10, 6.12, 7.1, 7.2 and 7.3 (collectively, the “Existing Default”).

I. FHC and Guarantors have requested that Lender (a) waive the Existing Default, and (b) extend credit and make financial accommodations available to APP, and (c) amend, rather than amend and restate, the Existing Credit Agreement, and the Lender is willing to do so under the terms and conditions set forth in this Third Amendment.

Now, Therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Limited Waiver of Existing Default.

Each of the Loan Parties agrees and acknowledges that the Existing Default has resulted in the occurrence of a Default and Event of Default under the Credit Agreement. The Loan Parties have, therefore, requested that the Lender waive the Existing Default. Subject to the terms and conditions set forth herein, the Lender hereby waives: (a) the Existing Default specified in Recital H above; and (b) Lender's remedies with respect to the Existing Default. This waiver shall be narrowly construed and shall not extend to any other Defaults or Events of Default under, or failures to comply with, the Credit Agreement or any other Loan Document, nor shall this waiver prejudice any rights or remedies which the Lender may have or be entitled to with respect to any noncompliance, Defaults or Events of Default (other than the Existing Default) under the Credit Agreement or other Loan Documents.

Section 2. Amendments.

2.1 Subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Existing Credit Agreement shall be and hereby is amended as of the Third Amendment Effective Date as follows:

2.1.1 Deleted Reference. The first sentence of the introductory paragraph of the Existing Credit Agreement is hereby amended by deleting the phrase "(Borrower)" in its entirety.

2.1.2 Deleted Definitions. Section 1.1 of the Existing Credit Agreement is hereby amended by deleting the definitions of "Borrower" and "Security Agreement" in its entirety.

2.1.3 New Definitions. Section 1.1 of the Existing Credit Agreement is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"**Additional Borrower**" or "**APP**" means, Aspen Park Pharmaceuticals, Inc., a Delaware corporation

"**APP IP Security Agreement**" means that certain Intellectual Property Security Agreement dated as of Third Amendment Effective Date by and between Additional Borrower and Bank, as the same may be amended, modified, supplemented or restated from time to time.

"**APP Security Agreement**" means that certain General Security Agreement dated as of Third Amendment Effective Date by and between Additional Borrower and Bank, as the same may be amended, modified, supplemented or restated from time to time.

"**APP Pledge Agreement**" means that certain Stock Pledge Agreement dated as of the Third Amendment Effective Date by and between Original Borrower and Bank, and acknowledged by APP, as the same may be amended, modified, supplemented or restated from time to time.

"**APP Waiver Agreement**" means that certain Landlord Lien Waiver and Collateral Access Agreement dated as of November 1, 2016 by and between Frost Real Estate Holdings, LLC and the Bank.

"**Arina APA**" means that certain Asset Purchase Agreement dated as of the Effective Date (as defined therein) by and between APP and Arina Therapeutics, LLC, an Ohio limited liability company.

"**Arina Subordination Agreement**" means that certain Subordination Agreement dated as of November 11, 2016, by and Arina Therapeutics, LLC, an Ohio limited liability company, APP, and the Bank, as the same may be amended, modified, restated or supplemented from time to time.

"**Articles of Amendment**" means the Articles of Amendment to the Original Borrower's Amended and Restated Articles of Incorporation containing the Statement of Terms of the Original Borrower's Class A Convertible Preferred Stock – Series 4 and filed with the Wisconsin Department of Financial Institutions on November 1, 2016, but effective as of October 31, 2016.

"**Borrowers**" means, collectively, The Female Health Company, a Wisconsin corporation and Aspen

“Business Transaction” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any line or lines of business or division of a Person, (b) the acquisition of in excess of 50% of the Equity Interests of any Person (other than a Person that is a Subsidiary), or otherwise causing any Person to become a Subsidiary, (c) a Change of Control, or (d) a merger or consolidation or any other combination with another Person.

“FHC IP Security Agreement” means that certain Intellectual Property Security Agreement dated as of December 29, 2015, by and between Original Borrower and Bank, as the same may be amended, modified, supplemented or restated from time to time.

“FHC Security Agreement” means that certain Security Agreement dated as of December 29, 2015 between Original Borrower and Bank, as amended, and as the same may be amended, modified, supplemented or restated from time to time.

“Guarantor Security Agreement” means that certain General Security Agreement dated as of April 1, 2016 and executed by the Guarantors in favor of the Bank, as amended, and as the same may be amended, modified, restated or supplemented from time to time.

“Loan Party” or **“Loan Parties”** means, individually or collectively, the Borrowers, each Subsidiary of any Borrower, and any other Person that (i) executes a Guaranty, (ii) grants a Lien on all or substantially all of its assets to secure payment of any of the Obligations, or (iii) delivers one or more Loan Documents as a Borrower, Guarantor, or otherwise to the benefit of the Bank.

“Original Borrower” means The Female Health Company, a Wisconsin corporation.

“Security Agreements” means, collectively, the FHC Security Agreement, the APP Security Agreement, and the Guarantor Security Agreement.

“Third Amendment Effective Date” means November 28, 2016.

“Third Amendment to Credit Agreement” means that certain Third Amendment to Credit Agreement dated as of November 28, 2016 by and between the Borrowers, the Guarantor, and the Bank.

2.1.4 Amended Definitions. Section 1.1 of the Existing Credit Agreement is hereby amended by:

(a) Deleting all references to “Borrower” in each of the definitions of *“Interest Expense”*, *“Net Income”*, *“Total Leverage Ratio”*, *“U.S. Landlord Waivers”* and substituting therefor the following, “Original Borrower”; and

(b) Deleting each of the following definitions in its entirety and substituting therefor the following, respectively:

“Change of Control” means any of (a) the acquisition by any “person” or “group” (as such terms are used in sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) (other than any person or group that files a report on Schedule 13G unless and until such person or group is required to file a report on Schedule 13D) at any time of beneficial ownership of (i) 25% or more of the outstanding capital stock or other equity interests of the Original Borrower or (ii) any of outstanding capital stock or other equity interests of the Additional Borrower, each on a fully-diluted basis, other than acquisitions of such interests by the current directors, officers and employees of such applicable Borrower, (b) the failure of individuals who are members of the board of directors (or similar governing body) of the Original Borrower on the Closing Date (together with any new or replacement directors whose nomination for election was approved by a majority of the directors who were either directors on the Closing Date or previously so

approved) to constitute a majority of the board of directors (or similar governing body) of the Original Borrower, or (c) any "Change of Control" (or words of like import), as defined in any agreement or indenture relating to any issue of material Indebtedness of Issuer or any Subsidiary, shall occur.

"Collateral Documents" means the Pledge Agreement, the FHC Security Agreement, the FHC IP Security Agreement, the Control Agreements, the APP Security Agreement, the APP IP Security Agreement, the APP Pledge Agreement, the Guarantor Security Agreement, and all other mortgages, deeds of trust, security agreements, pledge agreements, assignments, financing statements and other documents as shall from time to time secure the Obligations or any part thereof.

"Material Adverse Effect" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property, or condition (financial or otherwise) of either the Original Borrower, or of the Original Borrower and its Subsidiaries taken as a whole, (b) a material impairment of the ability of any Borrower or any Subsidiary to perform its material obligations under any Loan Document, or (c) a material adverse effect upon (i) the legality, validity, binding effect or enforceability against any Borrower or any Subsidiary of any Loan Document or the rights and remedies of Bank thereunder or (ii) the perfection or priority of any Lien granted under any Collateral Document.

"Permitted Acquisition" means any acquisition by any Loan Party, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the Equity Interests of, or a business line or unit or a division of, any Person (such Person, the "Acquired Business") which is prior approved by the Bank in writing and in the Bank's sole discretion.

"Pledge Agreement" means that certain Charge Over Shares Agreement dated as of December 29, 2015 by and between Original Borrower, The Female Health Company Limited, a company organized under the laws of the United Kingdom, and Bank, as the same may be amended, modified, supplemented or restated from time to time.

"Tangible Net Worth" means for each applicable period, total stockholders' equity on the Original Borrower's consolidated balance sheet as reported in its Form 10-K or 10-Q less all amounts appearing on the assets side of its consolidated balance sheet representing an intangible asset under GAAP; provided that, total stockholders' equity shall include outstanding shares of the Original Borrower's Class A Convertible Preferred Stock – Series 4 as further described in the Articles of Amendment notwithstanding GAAP's treatment of such equity (i.e. treated as a liability appearing on the liabilities side of the balance sheet of the Original Borrower in accordance with GAAP).

"Total Funded Debt" means, at any time the same is to be determined, the sum (but without duplication) of (a) all Indebtedness for Borrowed Money of the Original Borrower and its Subsidiaries at such time, and (b) all Indebtedness for Borrowed Money of any other Person which is directly or indirectly guaranteed by the Original Borrower or any of its Subsidiaries or which the Original Borrower or any of its Subsidiaries has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which the Original Borrower or any of its Subsidiaries has otherwise assured a creditor against loss; provided, however, that to the extent that obligations of the Original Borrower to the holders of the outstanding shares of the Original Borrower's Class A Convertible Preferred Stock – Series 4 as further described in the Articles of Amendment are, according to GAAP, treated as Indebtedness for Borrowed Money, all such obligations shall be excluded from the calculation of Total Funded Debt.

2.1.5 Section 1.2 of the Existing Credit Agreement is hereby amended by adding the following at the end of said section:

"In consideration of the Bank's agreement to amend, rather than amend and restate this Agreement, the benefit to the Borrowers and other Loan Parties, which is hereby expressly acknowledged by each of them, any reference to "Borrower" herein, shall be interpreted to be qualified by "any", "each", or "either", or, shall be deemed to include both Borrowers. In each case involving a question as to which qualification may control (i.e. a question as to whether a specific representation, covenant, or other provision, or portion thereof, shall apply to one or more of the

Borrowers), the Bank shall, in its sole discretion interpret same in a manner most favorable to the Bank, as determined by the Bank in its sole discretion, and such interpretation shall be binding on the Bank and each of the Loan Parties.”

2.1.6 Section 2.2 of the Existing Credit Agreement is hereby amended by adding the following sentence at the end of said section:

“Notwithstanding anything to the contrary contained herein, the Obligations of the Borrowers under the Revolving Loans shall be joint and several.”

2.1.7 Section 2.3 of the Existing Credit Agreement is hereby amended by adding the following sentence at the end of subsection (c):

“Notwithstanding anything to the contrary contained herein, the Borrowers’ obligation to reimburse L/C Obligations shall be joint and several.”

2.1.8 Section 4.3 of the Existing Credit Agreement is hereby amended by adding the following subsections, in alphabetical sequence, immediately following subsection (c) of said Section 4.3:

“(f) As soon as reasonably practicable, but in no event later than sixty (60) days after the Third Amendment Effective Date, Additional Borrower shall terminate its operating account with Chase Bank further described on Schedule 6.2 and cause same to be transferred and maintained at the Bank or one of its affiliates.

(g) The Loan Parties and the Bank shall have entered into an amendment and restatement of the Credit Agreement (the “**Restated Credit Agreement**”) and such other documents and agreements related thereto as the Bank may reasonably require on the earlier of (i) the occurrence of a Business Transaction, or (ii) December 29, 2017 (provided that the Loan Parties and the Bank and their respective counsel shall have commenced the discussions and drafting of the Restated Credit Agreement on or before December 1, 2017).

2.1.9 Section 5.1 of the Existing Credit Agreement is hereby amended in its entirety to read as follows:

5.1 Organization and Qualification. Each Borrower is (a) duly organized, validly existing, and in good standing as a corporation under the laws of its jurisdiction of incorporation; (b) has full and adequate power to own its Property and conduct its business as now conducted; and (c) is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except, with respect to this clause (c), where the failure to do so would not have a Material Adverse Effect.”

2.1.10 The first sentence of Section 5.4 of the Existing Credit Agreement is hereby amended in its entirety to read as follows:

“On and after the Third Amendment Effective Date, Borrowers shall use the proceeds of the Revolving Credit for working capital and general company purposes; provided that the Borrowers may also use said proceeds for financing capital expenditures and Permitted Acquisitions and for such other legal and proper purposes as are consistent with all applicable laws.”

2.1.11 Section 5.11 of the Existing Credit Agreement is hereby amended in its entirety to read as follows:

“5.11 *Litigation.* Except as disclosed on Schedule 5.11, there is no litigation or governmental or

arbitration proceeding or labor controversy pending, nor to the knowledge of Borrower threatened, against Borrower or any Subsidiary or any of their Property which if adversely determined, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.”

2.1.12 Section 7.1 of the Existing Credit Agreement is hereby amended by deleting subsection (f) in its entirety, and substituting therefor the following:

“(f) Indebtedness for Borrowed Money consisting of deferred purchase price obligations of Additional Borrower as further described in, and only to such extent as set forth in, the Arina APA;”

2.1.13 Section 7.1 of the Existing Credit Agreement is hereby further amended by replacing the period at the end of subsection (g) with “; and” and adding new subsections (h) and (i), in alphabetical sequence immediately following subsection (g), to read as follows:

“(h) Indebtedness for Borrowed Money consisting, to the extent treated as such under GAAP, of obligations of Original Borrower to the holders of the outstanding shares of the Original Borrower's Class A Convertible Preferred Stock – Series 4 as further described in, and only to the extent set forth in, the Articles of Amendment; and

(i) guaranty by Original Borrower of the obligations of Additional Borrower under that certain Office Lease dated as of October 31, 2016, by and between Frost Real Estate Holdings, LLC and Additional Borrower.”

2.1.14 Section 7.2 of the Existing Credit Agreement is hereby amended by deleting subsections (g) and (h), each in its entirety, and substituting therefor the following:

“(g) Cash collateral securing indebtedness permitted by Section 7.1(g);

(h) Lien granted in favor of Arina Therapeutics, LLC, an Ohio limited liability company pursuant to the Arina APA provided that at all times, such Lien granted to Arina shall be subject to the terms of the Arina Subordination Agreement and subordinated to the Lien of the Bank; and

(i) Liens granted in favor of Bank pursuant to the Collateral Documents.”

2.1.15 Section 7.4 of the Existing Credit Agreement is hereby amended by deleting subsection (d) in its entirety and substituting therefor the following:

“(d) the merger of any Subsidiary with and into any Borrower or any other Subsidiary; *provided* that, (i) in the case of any merger involving the Original Borrower, the Original Borrower is the corporation surviving the merger, and (ii) the Borrowers obtain the prior written consent of the Bank;”

2.1.16 Section 9.10(a) of the Existing Credit Agreement is hereby amended by adding the following sentence at the end of said section:

“Notwithstanding anything to the contrary contained herein, the Borrowers agree that the Obligations under this Section 9.10(a) and any other Obligation under this Agreement shall be joint and several.”

2.1.17 Schedule 5.11 attached hereto and made a part hereof is hereby added to the Credit

Agreement.

2.1.18 Schedule 5.2 and Schedule 6.2 of the Credit Agreement are hereby amended and restated, each in its entirety, by replacing and substituting therefor Schedule 5.2 (Amended and Restated) and Schedule 6.2 (Amended and Restated), respectively, attached hereto and made a part hereof.

Section 3. Conditions Precedent.

The effectiveness of this Third Amendment is subject to the satisfaction of all of the following conditions precedent:

3.1 Lender shall have received each of the following, in each case, (i) executed by all applicable parties, (ii) dated a date satisfactory to Lender, and (iii) in form and substance satisfactory to Lender:

- (a) This Third Amendment duly executed by the Borrower;
- (b) An amended and restated Note duly executed by Borrowers dated the date hereof and otherwise in compliance with the provisions of Section 2.10 of the Credit Agreement;
- (c) the APP Security Agreement, APP IP Security Agreement, the APP Pledge Agreement, and each of the other additional Collateral Documents required by Bank, together with UCC financing statements to be filed against the Additional Borrower, as debtor, in favor of Bank, as secured party, and (iv) patent, trademark, and copyright collateral agreements to the extent requested by Bank;
- (d) the APP Waiver Agreement;
- (e) evidence of all insurance of Additional Borrower required to be maintained under the Loan Documents;
- (f) an updated list of the Borrowers' Authorized Representatives;
- (g) the Arina Subordination Agreement, duly executed by all parties thereto;
- (h) financing statement, tax, and judgment lien search results against the Property of Additional Borrower evidencing the absence of Liens on its Property;
- (i) a favorable written opinion of counsel to Borrowers and each Subsidiary who is party to any Loan Document;
- (j) for each of the Loan Parties, a Secretary's or Officer's Certificate in such form and content acceptable to the Bank which shall include a certificate of incumbency, certified copies of such Loan Party's Articles of Incorporation or Certificate of Incorporation, as applicable, true and correct copy of such Loan Party's By-laws or Operating Agreement, certificates of good standing issued by the Secretary of State of the state of its incorporation and each state, if any, in which it is qualified to do business, dated not earlier than thirty (30) days prior to the date hereof, as applicable, and a true and correct copy of the resolutions authorized by the Board of Directors or Manager(s) of such Loan Party, as applicable, with respect to this Third Amendment and the transactions contemplated hereby;
- (k) fully executed Internal Revenue Service Form W-9 for APP; and
- (l) such other agreements, instruments, documents, certificates, and opinions as Bank may reasonably request.

3.2 Lender shall have received payment of the following fees, pursuant to Section 9.10 of the Credit Agreement, all of which shall be deemed fully earned upon receipt thereof: (a) payment of all outstanding and unpaid

attorneys' fees and costs; and (b) all attorneys' fees and costs incurred relating to the preparation, negotiation, execution and delivery of this Third Amendment and other post-closing matters.

3.3 Legal matters incident to the execution and delivery of this Third Amendment shall be satisfactory to the Lender and its counsel.

Section 4. Reaffirmation of Guaranty.

4.1 In order to induce the Bank to execute and deliver this Third Amendment, each Borrower (with respect to itself and its Subsidiaries, if any) and each Guarantor (with respect to itself and its Subsidiaries, if any), to the extent applicable to them, hereby represents to the Bank that as of the date hereof, after giving effect to the waiver contained in Section 1 of this Third Amendment into account (a) the representations and warranties set forth in Section 5 of the Credit Agreement are and shall be and remain true and correct (except that the representations contained in Section 5.5 of the Credit Agreement shall be deemed to refer to the most recent financial statements delivered to the Bank, the representations contained in Section 5.6 of the Credit Agreement are remade as of the date of the most recent audited financial statements delivered to the Bank and except that the representations contained in Section 5.11 of the Credit Agreement shall be supplemented by the information set forth on Schedule 5.11 attached to this Third Amendment) and (b) the Borrowers are in compliance with the terms and conditions of the Credit Agreement and no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Third Amendment.

Section 5. Representations.

5.1 Each Borrower and each Guarantor has full right and authority to enter into this Third Amendment and to perform all of its obligations hereunder. This Third Amendment delivered by Borrowers and Guarantors has been duly authorized, executed, and delivered and constitute valid and binding obligations of each Borrower and each Guarantor enforceable against them in accordance with their terms.

5.2 Each of the Guarantors executing this Third Amendment hereby consents to this Third Amendment and ratifies and affirms the Guaranty and agrees that the Guaranty is in full force and effect following the execution and delivery of this Third Amendment. The representations and warranties of each Guarantor in the Guaranty are, as of the date hereof, true and correct and no Guarantor knows of any default thereunder. The Guaranty continues to be the valid and binding obligation of each Guarantor, enforceable in accordance with its terms and no Guarantor has any claims or defenses to the enforcement of the rights and remedies of the Bank thereunder, except as provided in the Guaranty. Each Guarantor further agrees that the consent of the Guarantors to any further amendments to the Credit Agreement shall not be required as a result of this consent having been obtained. Each of the undersigned acknowledges that the Bank is relying on the assurances provided in this Section 5.2 in entering into the Third Amendment.

Section 6. Miscellaneous.

6.1 Each of the Borrowers and each Guarantor and hereby acknowledges and agrees that the Liens created and provided for by the Collateral Documents continue to secure, among other things, the Obligations arising under the Credit Agreement; and the Collateral Documents and the rights and remedies of the Bank thereunder, the obligations of the Borrowers and/or each Guarantor thereunder, and the Liens created and provided for thereunder remain in full force and effect and shall not be affected, impaired or discharged hereby. Nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for by the Collateral Documents as to the indebtedness which would be secured thereby prior to giving effect to this Third Amendment.

6.2 Each of the Loan Parties and Bank each acknowledges that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Third Amendment, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of the Loan Parties and Bank; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Third Amendment. Except as specifically amended herein, the Existing Credit Agreement shall continue in full force and effect in accordance with its original terms, as amended

prior to the Third Amendment Effective Date. Reference to this specific Third Amendment need not be made in the Credit Agreement, the Note, the Collateral Documents the other Loan Documents, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby.

6.3 The Borrowers jointly and severally agree to pay on demand all costs and expenses of or incurred by the Bank in connection with the negotiation, preparation, execution and delivery of this Third Amendment, including the fees and expenses of counsel for the Bank, which have not been included and paid pursuant to Section 3.2 hereof.

6.4 This Third Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Third Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. Delivery of executed counterparts of this Third Amendment by telecopy shall be effective as an original.

6.5 This Third Amendment shall be governed by the internal laws of the State of Illinois.

6.6 This Third Amendment shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

6.7 The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

6.8 For value received, including without limitation, the agreements of the Bank in this Third Amendment, each Borrower and each Guarantor hereby releases the Bank, and each of its current and former shareholders, directors, officers, agents, employees, attorneys, consultants, and professional advisors (collectively, the "Released Parties") of and from any and all demands, actions, causes of action, suits, controversies, acts and omissions, liabilities, and other claims of every kind or nature whatsoever, both in law and in equity, known or unknown, which any Borrower and/or any Guarantor has or ever had against the Released Parties, including, without limitation, those arising out of the existing financing arrangements between any Borrower or any Guarantor and the Bank, and each Borrower and each Guarantor further acknowledges that, as of the date hereof, it does not have any counterclaim, set-off, or defense against the Released Parties, each of which each Borrower and each Guarantor hereby expressly waives.

6.9 This Third Amendment shall not be construed more strictly against the Bank than against the Borrowers or the Guarantors merely by virtue of the fact that the same has been prepared by counsel for the Bank, it being recognized that the Borrowers, Guarantors and the Bank have contributed substantially and materially to the preparation of this Third Amendment, and each Borrower and each Guarantor acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Third Amendment. Moreover, in consideration of the Bank's agreement to refrain from amending and restating the Existing Credit Agreement pursuant to the request of the Borrowers, this Third Amendment shall be construed in light most favorable to the Bank and any ambiguity herein shall be resolved in favor of the Bank. Each of the parties to this Third Amendment represents that it has been advised by its respective counsel of the legal and practical effect of this Third Amendment, and recognizes that it is executing and delivering this Third Amendment, intending thereby to be legally bound by the terms and provisions thereof, of its own free will, without promises or threats or the exertion of duress upon it. The signatories hereto state that they have read and understand this Third Amendment, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

6.10 Without in any way limiting any provision herein, the Credit Agreement, or any other Loan Document, Borrower hereby indemnifies and hold harmless the Released Parties from, and shall pay to Lender, on behalf of and for the benefit of itself, or on behalf of and for the benefit of Released Parties, or any one of them, as the case may be, the amount of, or reimburse the Released Parties for, any Loss that the Released Parties or any of

them may suffer, sustain, or become subject to, as a result of, in connection with, or in any way relating to the pledge of the lost original stock certificate representing Borrower's ownership of equity interests in The Female Health Company Limited pledged to Midland States Bank, as successor in interest to Heartland Bank, any replacement stock certificate issued in lieu therefor, and the pledge of such replacement stock certificate as Collateral for Borrower's Obligations. For the purposes of this Section 5.6, "Loss" shall mean any cost, loss, liability, obligation, claim, cause of action, damage, deficiency, expense (including costs of investigation and defense and reasonable attorneys' fees and expenses), fine, penalty, judgment, award, assessment, or diminution of value.

6.11 The recitals and all exhibits and schedules hereto constitute an integral part of this Third Amendment, evidencing the intent of the parties in executing this Third Amendment and describing the circumstances surrounding its execution. Accordingly, the recitals, exhibits and schedules are, by this express reference, made a part of the covenants hereof, and this Third Amendment shall be construed in the light thereof. Except as otherwise provided in this Third Amendment, capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Existing Credit Agreement.

6.12 The recitals contained in this Third Amendment constitute an integral part of this Third Amendment, evidencing the intent of the Borrowers and Guarantor and the Bank and describing the circumstances surrounding its execution. Accordingly, the recitals are, by this express reference, made a part of the covenants hereof, and this Third Amendment shall be construed in the light thereof.

6.13 All capitalized terms not otherwise defined herein shall have the same meanings as such terms are defined in the Existing Credit Agreement.

[SIGNATURE PAGE TO FOLLOW]

This Third Amendment to Credit Agreement is entered into as of the date and year first above written.

“Borrowers”

THE FEMALE HEALTH COMPANY

By: /s/ Mitchell S. Steiner, M.D.
Name: Mitchell S. Steiner, M.D.
Title: President and Chief Executive Officer

ASPEN PARK PHARMACEUTICALS, INC.

By: /s/ Mitchell S. Steiner, M.D.
Name: Mitchell S. Steiner, M.D.
Title: President and Chief Executive Officer

“Guarantor”

BADGER ACQUISITION SUB, INC.

By: /s/ Mitchell S. Steiner, M.D.
Name: Mitchell S. Steiner, M.D.
Title: President and Chief Executive Officer

This Third Amendment to Credit Agreement is entered into as of the date and year first above written.

“Lender”

BMO HARRIS BANK N.A.

By: /s/ Jaime Freeman

Name: Jaime Freeman

Title: Vice President

Amended and Restated Revolving Note

U.S. \$10,000,000

November 28, 2016

For Value Received, the undersigned, The Female Health Company, a Wisconsin corporation ("FHC"), and Aspen Park Pharmaceuticals, Inc., a Delaware corporation (collectively, "Borrowers"), hereby jointly and severally promise to pay to the order of BMO Harris Bank N.A. (the "Lender") or its successors or registered assigns on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Lender in Chicago Illinois (or such other location as Lender may designate to Borrowers), in immediately available funds, the principal sum of Ten Million and 00/100 Dollars (\$10,000,000.00) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement dated as of December 29, 2015, as thereafter amended, by and among Borrowers, the Guarantors party thereto and Lender (as extended, renewed, amended or restated from time to time, the "Credit Agreement"), and this Note and the holder hereof is entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of Illinois without giving effect to the principles of conflicts of laws thereof.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

This Note constitutes a renewal and restatement of, and replacement and substitution of that certain Revolving Note dated as of December 29, 2015 in the maximum principal amount of Ten Million and 00/100 Dollars (\$10,000,000.00), executed by FHC and made payable to the order of the Lender (the "Prior Note"). The indebtedness evidenced by the Prior Note is continuing indebtedness evidenced hereby, and nothing herein shall be deemed to constitute a payment, settlement or novation of the Prior Note, or to release or otherwise adversely affect any lien, mortgage or security interest securing such indebtedness or any rights of the Lender against any guarantor, surety or other party primarily or secondarily liable for such indebtedness.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

[SIGNATURE PAGE TO FOLLOW]

This Amended and Restated Revolving Note is dated as of the date first set forth above.

**THE FEMALE HEALTH COMPANY,
a Wisconsin corporation**

By /s/ Mitchell S. Steiner, M.D.

Name: Mitchell S. Steiner, M.D.

Title: President and Chief Executive Officer

**ASPEN PARK PHARMACEUTICALS, INC.,
A Delaware corporation**

By /s/ Mitchell S. Steiner, M.D.

Name: Mitchell S. Steiner, M.D.

Title: President and Chief Executive Officer

Signature Page to Amended and Restated Revolving Note

General Security Agreement

This General Security Agreement (the “**Agreement**”) is dated as of November 28, 2016, between ASPEN PARK PHARMACEUTICALS, INC., a Delaware corporation (the “**Debtor**”), with its mailing address as set forth in Section 12(b) hereof, and BMO Harris Bank N.A., a national banking association (the “**Secured Party**”), with its mailing address as set forth in Section 12(b) hereof.

Preliminary Statement

A. The Debtor has requested that the Secured Party extend credit or otherwise make financial accommodations available to or for the account of the Debtor pursuant to the terms of that certain Credit Agreement dated as of December 29, 2015, as amended by that certain First Amendment and Waiver to Credit Agreement and Security Agreement dated as of January 4, 2016, that certain Consent and Amendment to Credit Agreement dated as of March 31, 2016, and that certain Third Amendment to Credit Agreement dated as of the date hereof by and between Borrowers and Guarantors (each as defined in the Credit Agreement) and Secured Party (“**Credit Agreement**”).

B. As a condition to extending credit or otherwise making financial accommodations available to or for the account of the Debtor, the Secured Party requires, among other things, that the Debtor grant the Secured Party a security interest in the Debtor’s personal property described herein subject to the terms and conditions hereof.

Now, Therefore, in consideration of the benefits accruing to the Debtor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Grant of Security Interest. The Debtor hereby grants to the Secured Party, for the benefit of itself and as representative for the benefit of its affiliates, a lien on and security interest in, and acknowledges and agrees that the Secured Party has and shall continue to have a continuing lien on and security interest in, all right, title, and interest of the Debtor, whether now owned or existing or hereafter created, acquired, or arising, in and to all of the following:

- (a) Accounts (including Health-Care-Insurance Receivables, if any);
 - (b) Chattel Paper;
 - (c) Instruments (including Promissory Notes);
 - (d) Documents;
 - (e) General Intangibles (including Payment Intangibles and Software, patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registration, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);
 - (f) Letter-of-Credit Rights;
 - (g) Supporting Obligations;
-

- (h) Deposit Accounts;
- (i) Investment Property (including certificated and uncertificated Securities (subject to Section 6.12(b) of the Credit Agreement) Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts);
- (j) Inventory;
- (k) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);
- (l) Fixtures;
- (m) Commercial Tort Claims (as described on Schedule G hereto or on one or more supplements to this Agreement);
- (n) Rights to merchandise and other Goods (including rights to returned or repossessed Goods and rights of stoppage in transit) which is represented by, arises from, or relates to any of the foregoing;
- (o) Monies, personal property, and interests in personal property of the Debtor of any kind or description now held by the Secured Party or at any time hereafter transferred or delivered to, or coming into the possession, custody, or control of, the Secured Party, or any agent or affiliate of the Secured Party, whether expressly as collateral security or for any other purpose (whether for safekeeping, custody, collection or otherwise), and all dividends and distributions on or other rights in connection with any such property;
- (p) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of the Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes, and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;
- (q) Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and
- (r) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the “**Collateral**”. All terms which are used in this Agreement which are defined in the Uniform Commercial Code of the State of Illinois as in effect from time to time (“**UCC**”) shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide. For purposes of this Agreement, the term “**Receivables**” means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

Section 2. Obligations Hereby Secured. The lien and security interest herein granted and provided for is made and given to secure, and shall secure, the payment and performance of (a) any and all indebtedness, obligations, and liabilities of whatsoever kind and nature of the Debtor to the Secured Party or any affiliate of the Secured Party (whether arising before or after the filing of a petition in bankruptcy and including, without limitation, interest which but for the filing of a petition in bankruptcy would accrue on such obligations), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint or joint and several, and (b) any and all expenses and charges, legal or otherwise, suffered or incurred by the Secured Party or any affiliate of the Secured Party in collecting or enforcing any of such indebtedness, obligations or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby (all of the foregoing being hereinafter referred to collectively as the “**Obligations**”).

Notwithstanding the foregoing, the term “Obligations” shall not include, and the lien and security interest herein granted and provided for by Debtor does not secure, Excluded Swap Obligations. For purposes of this Agreement:

“*Commodity Exchange Act*” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“*Excluded Swap Obligation*” means any Swap Obligation of the Borrowers if, and to the extent that, all or a portion of the guarantee of the undersigned of such Swap Obligation is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of the undersigned’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time this guaranty becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee is or becomes illegal.

“*Swap Obligation*” means any obligation of the Borrowers to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

Section 3. Covenants, Agreements, Representations and Warranties. The Debtor hereby covenants and agrees with, and represents and warrants to, the Secured Party that:

(a) The Debtor is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its organization. The Debtor shall not change its jurisdiction of organization without the Secured Party’s prior written consent. The Debtor is the sole and lawful owner of the Collateral, and has full right, power and authority to enter into this Security Agreement and to perform each and all of the matters and things herein provided for. The execution and delivery of this Security Agreement, and the observance and performance of each of the matters and things herein set forth, will not (i) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the Debtor or any provision of the Debtor’s organizational documents (*e.g.*, charter, articles or certificate of incorporation and by-laws, articles or certificate of formation and limited liability company operating agreement, partnership agreement, or similar organizational documents) or any covenant, indenture or agreement of or affecting the Debtor or any of its property or (ii) result in the creation or imposition of any lien or encumbrance on any property of the Debtor except for the lien and security interest granted to the Secured Party hereunder. The Debtor’s organizational registration number is 5548064.

(b) The Debtor's chief executive office and principal place of business is at, and the Debtor keeps and shall keep all of its books and records relating to Receivables only at, 4400 Biscayne Blvd., Suite 888, Miami, FL 33137; and the Debtor has no other executive offices or places of business other than those listed under Item 1 on Schedule A. The Collateral is and shall remain in the Debtor's possession or control at the locations listed under Item 2 on Schedule A attached hereto (collectively, the "**Permitted Collateral Locations**"), except for (i) Collateral which in the ordinary course of the Debtor's business is in transit between Permitted Collateral Locations. If for any reason any Collateral is at any time kept or located at a location other than a Permitted Collateral Location, the Secured Party shall nevertheless have and retain a lien on and security interest therein. The Debtor owns and shall at all times own all Permitted Collateral Locations, except to the extent otherwise disclosed under Item 2 on Schedule A. The Debtor shall not move its chief executive office or maintain a place of business at a location other than those specified under Item 1 on Schedule A or permit the Collateral to be located at a location other than those specified under Item 2 on Schedule A, in each case without first providing the Secured Party 30 days' prior written notice of the Debtor's intent to do so; *provided* that the Debtor shall at all times maintain its chief executive office and, unless otherwise specifically agreed to in writing by the Secured Party, Permitted Collateral Locations in the United States of America and, with respect to any new chief executive office or place of business or location of Collateral, the Debtor shall have taken all action requested by the Secured Party to maintain the lien and security interest of the Secured Party in the Collateral at all times fully perfected and in full force and effect.

(c) The Debtor's legal name and jurisdiction of organization is correctly set forth in the first paragraph of this Agreement. The Debtor has not transacted business at any time during the immediately preceding five-year period, and does not currently transact business, under any other legal names or trade names other than the prior legal names and trade names (if any) set forth on Schedule B attached hereto. The Debtor shall not change its legal name or transact business under any other trade name without first giving 30 days' prior written notice of its intent to do so to the Secured Party.

(d) The Collateral and every part thereof is and shall be free and clear of all security interests, liens (including, without limitation, mechanics', laborers' and statutory liens), attachments, levies, and encumbrances of every kind, nature and description, whether voluntary or involuntary, except for the lien and security interest of the Secured Party therein and as otherwise provided on Schedule C attached hereto. The Debtor shall warrant and defend the Collateral against any claims and demands of all persons at any time claiming the same or any interest in the Collateral adverse to the Secured Party.

(e) The Debtor shall promptly pay when due all taxes, assessments and governmental charges and levies upon or against the Debtor or any of the Collateral, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings which prevent foreclosure or other realization upon any of the Collateral and preclude interference with the operation of the Debtor's business in the ordinary course, and the Debtor shall have established adequate reserves therefor.

(f) The Debtor shall not use, manufacture, sell, or distribute any Collateral in violation of any statute, ordinance, or other governmental requirement. The Debtor shall not waste or destroy the Collateral or any part thereof or be negligent in the care or use of any Collateral. The Debtor shall perform in all material respects its obligations under any contract or other agreement constituting part of the Collateral, it being understood and agreed that the Secured Party has no responsibility to perform such obligations.

(g) Subject to Sections 4(b), 6(b), 6(c), and 7(c) hereof, the Debtor shall not, without the Secured Party's prior written consent, sell, assign, mortgage, lease or otherwise dispose of the Collateral or any interest therein.

(h) The Debtor shall at all times insure the Collateral consisting of tangible personal property against such risks and hazards as other persons similarly situated insure against, and including in any event loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards as the Secured Party may reasonably specify. All insurance required hereby shall be maintained in amounts and under policies and with insurers reasonably acceptable to the Secured Party, and all such policies shall contain loss payable clauses naming the Secured Party as loss payee as its interest may appear (and, if the Secured Party requests, naming the Secured Party as an additional insured therein) in a form reasonably acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor. Certificates of insurance evidencing compliance with the foregoing and, at the Secured Party's request, the policies of such insurance shall be delivered by the Debtor to the Secured Party. All insurance required hereby shall provide that any loss shall be payable to the Secured Party notwithstanding any act or negligence of the Debtor, shall provide that no cancellation thereof shall be effective until at least 30 days after receipt by the Debtor and the Secured Party of written notice thereof, and shall be reasonably satisfactory to the Secured Party in all other respects. In case of any material loss, damage to, or destruction of the Collateral or any part thereof, the Debtor shall promptly give written notice thereof to the Secured Party generally describing the nature and extent of such damage or destruction. In case of any loss, damage to or destruction of the Collateral or any part thereof, the Debtor, whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for that purpose, at the Debtor's cost and expense, shall promptly repair or replace the Collateral so lost, damaged, or destroyed, except to the extent such Collateral, prior to its loss, damage, or destruction, had become uneconomical, obsolete or worn out and is not necessary for or of importance to the proper conduct of the Debtor's business in the ordinary course. In the event the Debtor shall receive any proceeds of such insurance, the Debtor shall immediately pay over such proceeds to the Secured Party. The Debtor hereby authorizes the Secured Party, at the Secured Party's option, to adjust, compromise and settle any losses under any insurance afforded at any time during the existence of any Event of Default or any other event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, and the Debtor does hereby irrevocably constitute the Secured Party, and each of its nominees, officers, agents, attorneys, and any other person whom the Secured Party may designate, as the Debtor's attorneys-in-fact, with full power and authority to effect such adjustment, compromise and/or settlement and to endorse any drafts drawn by an insurer of the Collateral or any part thereof and to do everything necessary to carry out such purposes and to receive and receipt for any unearned premiums due under policies of such insurance. Unless the Secured Party elects to adjust, compromise or settle losses as aforesaid, any adjustment, compromise and/or settlement of any losses under any insurance shall be made by the Debtor subject to final approval of the Secured Party (regardless of whether or not an Event of Default shall have occurred) in the case of losses exceeding \$500,000. Net insurance proceeds received by the Secured Party under the provisions hereof or under any policy of insurance covering the Collateral or any part thereof shall be applied to the reduction of the Obligations (whether or not then due); *provided, however*, that the Secured Party agrees to release such insurance proceeds to the Debtor for replacement or restoration of the portion of the Collateral lost, damaged, or destroyed if, but only if, (i) at the time of release no Event of Default, or any other event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, exists, (ii) written application for such release is received by the Secured Party from the Debtor within 30 days of receipt of such proceeds, and (iii) the Secured Party has received evidence reasonably satisfactory to it that the Collateral lost, damaged or destroyed has been or will be replaced or restored to its condition immediately prior to the loss, destruction, or other event giving rise to the payment of such insurance proceeds. All insurance proceeds shall be subject to the lien and security interest of the Secured Party hereunder.

Unless the Debtor provides the Secured Party with evidence of the insurance coverage required by this Security Agreement, the Secured Party may purchase insurance at the Debtor's expense to protect the Secured party's interests in the Collateral. This insurance may, but need not, protect the debtor's interests in the Collateral. The coverage purchased by the Secured Party may not pay any claims that the Debtor makes or any claim that is made against the Debtor in connection with the Collateral. The Debtor may later cancel any such insurance purchased by the Secured Party, but only after providing the Secured Party with evidence that the Debtor has obtained insurance as required by this Security Agreement. If the Secured Party purchases insurance for the Collateral, the Debtor will be responsible for the costs of that insurance, including interest and any other charges that the Secured Party may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations secured hereby. The costs of the insurance may be more than the cost of insurance the Debtor may be able to obtain on its own.

(i) The Debtor shall at all times allow the Secured Party and its representatives free access to and right of inspection of the Collateral; *provided* that, unless the Secured Party believes in good faith an Event of Default, or any other event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, exists, any such access or inspection shall only be required during the Debtor's normal business hours.

(j) If any Collateral is in the possession or control of any of the Debtor's agents or processors and the Secured Party so requests, the Debtor agrees to notify such agents or processors in writing of the Secured Party's security interest therein and instruct them to hold all such Collateral for the Secured Party's account and subject to the Secured Party's instructions. The Debtor shall, upon the request of the Secured Party, authorize and instruct all bailees and other parties, if any, at any time processing, labeling, packaging, holding, storing, shipping or transferring all or any part of the Collateral to permit the Secured Party and its representatives to examine and inspect any of the Collateral then in such party's possession and to verify from such party's own books and records any information concerning the Collateral or any part thereof which the Secured Party or its representatives may seek to verify. As to any premises not owned by the Debtor wherein any of the Collateral is located, the Debtor shall, at the Secured Party's request, cause each party having any right, title or interest in, or lien on, any of such premises to enter into an agreement (any such agreement to contain a legal description of such premises) whereby such party disclaims any right, title and interest in, and lien on, the Collateral and allows the removal of such Collateral by the Secured Party and is otherwise in form and substance acceptable to the Secured Party; provided however, Debtor shall be permitted to maintain Collateral without such agreement at its storage facility leased from Fulfillrite, LLC and located at 1715 Oak Street, Lakewood, NJ 08701 so long as the value of such Collateral does not exceed \$100,000 in the aggregate.

(k) The Debtor agrees from time to time to deliver to the Secured Party such evidence of the existence, identity and location of the Collateral and of its availability as collateral security pursuant hereto (including, without limitation, schedules describing all Receivables created or acquired by the Debtor, copies of customer invoices or the equivalent and original shipping or delivery receipts for all merchandise and other goods sold or leased or services rendered, together with the Debtor's warranty of the genuineness thereof, and reports stating the book value of Inventory and Equipment by major category and location), in each case as the Secured Party may reasonably request. The Secured Party shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Secured Party considers appropriate (including, without limitation, the verification of Collateral by use of a fictitious name), and the Debtor agrees to furnish all assistance and information, and perform any acts, which the Secured Party may reasonably require in connection therewith. The Debtor shall promptly notify the

Secured Party of any Collateral which the Debtor has determined to have been rendered obsolete, stating the prior book value of such Collateral, its type and location.

(l) The Debtor shall comply in all material respects with the terms and conditions of all leases, easements, right-of-way agreements and other similar agreements binding upon the Debtor or affecting the Collateral or any part thereof, and all orders, ordinances, laws and statutes of any city, state or other governmental entity, department, or agency having jurisdiction with respect to the premises wherein such Collateral is located or the conduct of business thereon.

(m) Schedule D attached hereto contains a true, complete, and current listing of all patents, trademarks, tradestyles, copyrights, and other intellectual property rights (including all registrations and applications therefor) owned by the Debtor as of the date hereof that are registered with any governmental authority. The Debtor shall promptly notify the Secured Party in writing of any additional intellectual property rights acquired or arising after the date hereof, and shall submit to the Secured Party a supplement to Schedule D to reflect such additional rights (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). The Debtor owns or possesses rights to use all franchises, licenses, patents, trademarks, trade names, tradestyles, copyrights, and rights with respect to the foregoing which are required to conduct its business. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and the Debtor is not liable to any person for infringement under applicable law with respect to any such rights as a result of its business operations.

(n) Schedule G attached hereto contains a true, complete and current listing of all Commercial Tort Claims held by the Debtor as of the date hereof, each described by reference to the specific incident given rise to the claim. The Debtor agrees to execute and deliver to the Secured Party a supplement to this Agreement in the form attached hereto as Schedule H, or in such other form acceptable to the Secured Party, promptly upon becoming aware of any other Commercial Tort Claim held or maintained by the Debtor arising after the date hereof (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(o) The Debtor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments, and documents and to do all such other things as the Secured Party may deem necessary or appropriate to assure the Secured Party its lien and security interest hereunder, including, without limitation, (i) such financing statements, and amendments thereof or supplements thereto, and such other instruments and documents as the Secured Party may from time to time require in order to comply with the UCC and any other applicable law, (ii) such agreements with respect to patents, trademarks, copyrights, and similar intellectual property rights as the Secured Party may from time to time require to comply with the filing requirements of the United States Patent and Trademark Office and the United States Copyright Office, and (iii) such control agreements with respect to Deposit Accounts, Investment Property, Letter-of-Credit Rights, and electronic Chattel Paper, and to cause the relevant depository institutions, financial intermediaries, and issuers to execute and deliver such control agreements, as the Secured Party may from time to time require. The Debtor hereby agrees that a carbon, photographic or other reproduction of this Security Agreement or any such financing statement is sufficient for filing as a financing statement by the Secured Party without notice thereof to the Debtor wherever the Secured Party in its sole discretion desires to file the same. The Debtor hereby authorizes the Secured Party to file any and all financing statements covering the Collateral or any part thereof as the Secured Party may require, including financing statements describing the Collateral as "all assets" or "all personal property" or words of like meaning. The Secured Party may order lien searches from time to time against the Debtor and the Collateral, and the Debtor shall promptly reimburse the Secured Party for all costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other

than Illinois becomes or is applicable to the Collateral or any part thereof, or to any of the Obligations, the Debtor agrees to execute and deliver all such instruments and documents and to do all such other things as the Secured Party in its sole discretion deems necessary or appropriate to preserve, protect, and enforce the lien and security interest of the Secured Party under the law of such other jurisdiction. The Debtor agrees to mark its books and records to reflect the lien and security interest of the Secured Party in the Collateral.

(p) On failure of the Debtor to perform any of the covenants and agreements herein contained, the Secured Party may, at its option, perform the same and in so doing may expend such sums as the Secured Party may reasonably deem advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtor immediately without notice or demand, shall constitute additional Obligations secured hereunder and shall bear interest from the date said amounts are expended at the rate per annum (computed on the basis of a 360-day year for the actual number of days elapsed) determined by adding 2.00% to the rate per annum from time to time announced or otherwise established by the Secured Party as its prime commercial rate with any change in such rate per annum as so determined by reason of a change in such prime commercial rate to be effective on the date of such change in said prime commercial rate (such rate per annum as so determined being hereinafter referred to as the **"Default Rate"**). No such performance of any covenant or agreement by the Secured Party on behalf of the Debtor, and no such advancement or expenditure therefor, shall relieve the Debtor of any default under the terms of this Security Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Secured Party, in performing any act hereunder, shall be the sole judge of whether the Debtor is required to perform same under the terms of this Security Agreement. The Secured Party is hereby authorized to charge any account of the Debtor maintained with the Secured Party for the amount of such sums and amounts so expended.

Section 4. Special Provisions Re: Receivables.

(a) As of the time any Receivable becomes subject to the security interest provided for hereby, and at all times thereafter, the Debtor shall be deemed to have warranted as to each and all of such Receivables that all warranties of the Debtor set forth in this Security Agreement are true and correct with respect to each such Receivable; that each Receivable and all papers and documents relating thereto are genuine and in all respects what they purport to be; that each Receivable is valid and subsisting; that no such Receivable is evidenced by any Instrument or Chattel Paper unless such Instrument or Chattel Paper has theretofore been endorsed by the Debtor and delivered to the Secured Party (except to the extent the Secured Party specifically requests the Debtor not to do so with respect to any such Instrument or Chattel Paper); that no surety bond was required or given in connection with such Receivable or the contracts or purchase orders out of which the same arose; that the amount of the Receivable represented as owing is the correct amount actually and unconditionally owing, except for normal cash discounts on normal trade terms in the ordinary course of business; and that the amount of such Receivable represented as owing is not disputed and is not subject to any set-offs, credits, deductions or countercharges other than those arising in the ordinary course of the Debtor's business which are disclosed to the Secured Party in writing promptly upon the Debtor becoming aware thereof. Without limiting the foregoing, if any Receivable arises out of a contract with the United States of America, or any state or political subdivision thereof, or any department, agency or instrumentality of any of the foregoing, the

Debtor agrees to notify the Secured Party and, at the Secured Party's request, execute whatever instruments and documents are required by the Secured Party in order that such Receivable shall be assigned to the Secured Party and that proper notice of such assignment shall be given under the federal Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be.

(b) Unless and until an Event of Default occurs, any merchandise or other goods which are returned by a customer or account debtor or otherwise recovered may be resold by the Debtor in the ordinary course of its business as presently conducted in accordance with Section 6(b) hereof; and, during the existence of any Event of Default, such merchandise and other goods shall be set aside and held by the Debtor as trustee for the Secured Party and shall remain part of the Secured Party's Collateral. Unless and until an Event of Default occurs, the Debtor may settle and adjust disputes and claims with its customers and account debtors, handle returns and recoveries and grant discounts, credits and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the Debtor in good faith considers advisable; and, during the existence of any Event of Default, the Debtor shall notify the Secured Party promptly of all returns and recoveries and, on the Secured Party's request, deliver any such merchandise or other goods to the Secured Party. During the existence of any Event of Default, the Debtor shall also notify the Secured Party promptly of all disputes and claims and settle or adjust them at no expense to the Secured Party, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other goods shall be accepted by the Debtor without the Secured Party's consent. The Secured Party may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Secured Party considers advisable.

(c) Unless delivered to the Secured Party or its agent, all tangible Chattel Paper and Instruments shall contain a legend acceptable to the Secured Party indicating that such Chattel Paper or Instrument is subject to the security interest of the Secured Party contemplated by this Security Agreement.

Section 5. Collection of Receivables.

(a) Except as otherwise provided in this Security Agreement, the Debtor shall make collection of all Receivables and may use the same to carry on its business in accordance with sound business practice and otherwise subject to the terms hereof.

(b) Whether or not any Event of Default has occurred and whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 5, in the event the Secured Party requests the Debtor to do so:

(i) all Instruments and Chattel Paper at any time constituting part of the Receivables or any other Collateral (including any postdated checks) shall, upon receipt by the Debtor, be immediately endorsed to and deposited with the Secured Party; and/or

(ii) the Debtor shall instruct all customers and account debtors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Secured Party and which are maintained at post office(s) in Chicago, Illinois selected by the Secured Party.

(c) Upon the occurrence of any Event of Default or of any event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, whether or not the Secured Party has exercised

any or all of its rights under other provisions of this Section 5, the Secured Party or its designee may notify the Debtor's customers and account debtors at any time that Receivables or any other Collateral have been assigned to the Secured Party or of the Secured Party's security interest therein, and either in its own name, or the Debtor's name, or both, demand, collect (including, without limitation, through a lockbox analogous to that described in Section 5(b)(ii) hereof), receive, receipt for, sue for, compound and give acquaintance for any or all amounts due or to become due on Receivables or any other Collateral, and in the Secured Party's discretion file any claim or take any other action or proceeding which the Secured Party may deem necessary or appropriate to protect or realize upon the security interest of the Secured Party in the Receivables or any other Collateral.

(d) Any proceeds of Receivables or other Collateral transmitted to or otherwise received by the Secured Party pursuant to any of the provisions of Sections 5(b) or 5(c) hereof may be handled and administered by the Secured Party in and through a remittance account at the Secured Party, and the Debtor acknowledges that the maintenance of such remittance account by the Secured Party is solely for the Secured Party's convenience and that the Debtor does not have any right, title or interest in such remittance account or any amounts at any time standing to the credit thereof. The Secured Party may, after the occurrence and during the continuation of any Event of Default or of any event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, apply all or any part of any proceeds of Receivables or other Collateral received by it from any source to the payment of the Obligations (whether or not then due and payable), such applications to be made in such amounts, in such manner and order and at such intervals as the Secured Party may from time to time in its discretion determine, but not less often than once each week. The Secured Party need not apply or give credit for any item included in proceeds of Receivables or other Collateral until the Secured Party has received final payment therefor at its office in cash or final solvent credits current in Chicago, Illinois, acceptable to the Secured Party as such. However, if the Secured Party does give credit for any item prior to receiving final payment therefor and the Secured Party fails to receive such final payment or an item is charged back to the Secured Party for any reason, the Secured Party may at its election in either instance charge the amount of such item back against the remittance account or any account of the Debtor maintained with the Secured Party, together with interest thereon at the Default Rate. Concurrently with each transmission of any proceeds of Receivables or other Collateral to the remittance account, the Debtor shall furnish the Secured Party with a report in such form as the Secured Party shall require identifying the particular Receivable or other Collateral from which the same arises or relates. Unless and until an Event of Default or an event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default shall have occurred, the Secured Party will release proceeds of Collateral which the Secured Party has not applied to the Obligations as provided above from the remittance account from time to time, or promptly after receipt thereof. The Debtor hereby indemnifies the Secured Party from and against all liabilities, damages, losses, actions, claims, judgments, costs, expenses, charges and attorneys' fees suffered or incurred by the Secured Party because of the maintenance of the foregoing arrangements; *provided, however*, that the Debtor shall not be required to indemnify the Secured Party for any of the foregoing to the extent they arise solely from the gross negligence or willful misconduct of the Secured Party. The Secured Party shall have no liability or responsibility to the Debtor for accepting any check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement whatsoever or be responsible for determining the correctness of any remittance.

Section 6. Special Provisions Re: Inventory and Equipment.

(a) The Debtor shall at its own cost and expense maintain, keep and preserve the Inventory in good and merchantable condition and keep and preserve the Equipment in good repair, working order and condition, ordinary wear and tear excepted, and, without limiting the foregoing, make all necessary and proper repairs, replacements and additions to the Equipment so that the efficiency thereof shall be fully preserved and maintained.

(b) The Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, use, consume and sell the Inventory in the ordinary course of its business, but a sale in the ordinary course of business shall not under any circumstance include any transfer or sale in satisfaction, partial or complete, of a debt owing by the Debtor.

(c) The Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, sell obsolete, worn out or unusable Equipment which is concurrently replaced with similar Equipment at least equal in quality and condition to that sold and owned by the Debtor free of any lien, charge or encumbrance other than the security interest granted hereby.

(d) As of the time any Inventory or Equipment becomes subject to the security interest provided for hereby and at all times thereafter, the Debtor shall be deemed to have warranted as to any and all of such Inventory and Equipment that all warranties of the Debtor set forth in this Security Agreement are true and correct with respect to such Inventory and Equipment; that all of such Inventory and Equipment is located at a location set forth pursuant to Section 3(b) hereof; and that, in the case of Inventory, such Inventory is new and unused and in good and merchantable condition. The Debtor warrants and agrees that no Inventory is or will be consigned to any other person without the Secured Party's prior written consent.

(e) The Debtor shall at its own cost and expense cause the lien of the Secured Party in and to any portion of the Collateral subject to a certificate of title law to be duly noted on such certificate of title or to be otherwise filed in such manner as is prescribed by law in order to perfect such lien and shall cause all such certificates of title and evidences of lien to be deposited with the Secured Party.

(f) Except for Equipment from time to time located on the real estate described on Schedule E attached hereto and as otherwise disclosed to the Secured Party in writing, none of the Equipment is or will be attached to real estate in such a manner that the same may become a fixture.

(g) If any of the Inventory is at any time evidenced by a document of title, such document shall be promptly delivered by the Debtor to the Secured Party except to the extent the Secured Party specifically requests the Debtor not to do so with respect to any such document.

Section 7. Special Provisions Re: Investment Property and Deposits.

(a) Unless and until an Event of Default has occurred and is continuing and thereafter until notified to the contrary by the Secured Party pursuant to Section 9(d) hereof:

(i) the Debtor shall be entitled to exercise all voting and/or consensual powers pertaining to the Investment Property or any part thereof, for all purposes not inconsistent with the terms of this Security Agreement or any other document evidencing or otherwise relating to any Obligations; and

(ii) the Debtor shall be entitled to receive and retain all cash dividends paid upon or in respect of the Investment Property.

(b) All Investment Property (including all securities, certificated or uncertificated, securities accounts, and commodity accounts) of the Debtor on the date hereof is listed and identified on Schedule F attached hereto and made a part hereof. The Debtor shall promptly notify the Secured Party of any other Investment Property acquired or

maintained by the Debtor after the date hereof, and shall submit to the Secured Party a supplement to Schedule F to reflect such additional rights (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). Certificates for all certificated securities now or at any time constituting Investment Property shall be promptly delivered by the Debtor to the Secured Party duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision or reclassification of the Investment Property or any part thereof or received in addition to, in substitution of or in exchange for the Investment Property or any part thereof as a result of a merger, consolidation or otherwise. With respect to any uncertificated securities or any Investment Property held by a securities intermediary, commodity intermediary, or other financial intermediary of any kind, unless the Secured Party requests otherwise, the Debtor shall execute and deliver, and shall cause any such issuer or intermediary to execute and deliver, an agreement among the Debtor, the Secured Party, and such issuer or intermediary in form and substance satisfactory to the Secured Party which provides, among other things, for the issuer's or intermediary's agreement that it shall comply with entitlement orders, and apply any value distributed on account of any such Investment Property, as directed by the Secured Party without further consent by the Debtor. The Secured Party may at any time, after the occurrence of an Event of Default or an event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, cause to be transferred into its name or the name of its nominee or nominees all or any part of the Investment Property hereunder.

(c) Unless and until an Event of Default, or an event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, has occurred and is continuing, the Debtor may sell or otherwise dispose of any Investment Property, *provided that* the Debtor shall not sell or otherwise dispose of any capital stock of or other equity interests in any direct or indirect subsidiary without the prior written consent of the Secured Party. After the occurrence and during the continuation of any Event of Default or of any event or condition which with the lapse of time or the giving of notice, or both, would constitute an Event of Default, the Debtor shall not sell all or any part of the Investment Property without the prior written consent of the Secured Party.

(d) The Debtor represents that on the date of this Security Agreement, none of the Investment Property consists of margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System) except to the extent the Debtor has delivered to the Secured Party a duly executed and completed Form U-1 with respect to such stock. If at any time the Investment Property or any part thereof consists of margin stock, the Debtor shall promptly so notify the Secured Party and deliver to the Secured Party a duly executed and completed Form U-1 and such other instruments and documents reasonably requested by the Secured Party in form and substance reasonably satisfactory to the Secured Party.

(e) Notwithstanding anything to the contrary contained herein, in the event any Investment Property is subject to the terms of a separate security agreement in favor of the Secured Party, the terms of such separate security agreement shall govern and control unless otherwise agreed to in writing by the Secured Party.

(f) All Deposit Accounts of the Debtor on the date hereof are listed and identified (by account number and depository institution) on Schedule F attached hereto and made a part hereof. The Debtor shall promptly notify the Secured Party of any other Deposit Account opened or maintained by the Debtor after the date hereof, and shall submit to the Secured Party a supplement to Schedule F to reflect such additional accounts (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). With respect to any Deposit Account maintained by a depository institution other than the Secured Party (except the deposit account maintained at JPMorgan Chase Bank set forth on Schedule F, which shall be closed as required by the Credit Agreement), and as a

condition to the establishment and maintenance of any such Deposit Account except as otherwise agreed to in writing by the Secured Party, the Debtor, the depository institution, and the Secured Party shall execute and deliver an account control agreement in form and substance satisfactory to the Secured Party which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Secured Party directing the disposition of the funds in the Deposit Account without further consent by such Debtor.

Section 8. Power of Attorney. In addition to any other powers of attorney contained herein, the Debtor hereby appoints the Secured Party, its nominee, and any other person whom the Secured Party may designate, as the Debtor's attorney-in-fact, with full power and authority upon the occurrence and during the continuation of any Event of Default to sign the Debtor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to the Debtor's customers, account debtors and other obligors; to endorse the Debtor's name on any checks, notes, acceptances, money orders, drafts and any other forms of payment or security that may come into the Secured Party's possession or on any assignments, stock powers, or other instruments of transfer relating to the Collateral or any part thereof; to sign the Debtor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account debtors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; to notify the post office authorities to change the address for delivery of the Debtor's mail to an address designated by the Secured Party; to receive, open and dispose of all mail addressed to the Debtor; and to do all things necessary to carry out this Agreement. The Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct. The Secured Party may file one or more financing statements disclosing its security interest in any or all of the Collateral without the Debtor's signature appearing thereon. The Debtor also hereby grants the Secured Party a power of attorney to execute any such financing statements, or amendments and supplements to financing statements, on behalf of the Debtor without notice thereof to the Debtor. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Obligations have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated.

Section 9. Defaults and Remedies.

(a) The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder:

- (i) the occurrence of an "Event of Default", as defined in the Credit Agreement;
- (ii) default in the observance or performance of any covenant set forth in Sections 5(b), 7(b), or 7(f) hereof or of any provision hereof requiring the maintenance of insurance on the Collateral or dealing with the use or remittance of proceeds of Collateral;
- (iii) default in the observance or performance of any other provision hereof which is not remedied within 30 days after the earlier of (a) the date on which such default shall first become known to any officer of the Debtor or (b) written notice thereof is given to the Debtor by the Secured Party; or
- (iv) any representation or warranty made by the Debtor herein, or in any statement or certificate furnished by it pursuant hereto, or in connection with any loan or extension of credit made to or on behalf of

or at the request of the Debtor by the Secured Party, shall be false in any material respect as of the date of the issuance or making thereof.

Nothing herein contained shall impair the demand character of any of the Obligations which are expressed to be payable on demand.

(b) Upon the occurrence of any Event of Default, the Secured Party shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Secured Party may, without demand and without advertisement, notice, hearing or process of law, all of which the Debtor hereby waives, at any time or times, sell and deliver all or any part of the Collateral (and any other property of the Debtor attached thereto or found therein) held by or for it at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable, in its sole discretion. In addition to all other sums due the Secured Party hereunder, the Debtor shall pay the Secured Party all costs and expenses incurred by the Secured Party, including attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or the Debtor concerning any matter arising out of or connected with this Security Agreement or the Collateral or the Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Debtor in accordance with Section 12(b) hereof at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided however*, no notification need be given to the Debtor if the Debtor has signed, after an Event of Default has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Secured Party may be the purchaser at any such sale. The Debtor hereby waives all of its rights of redemption from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Secured Party may further postpone such sale by announcement made at such time and place. The Secured Party has no obligation to prepare the Collateral for sale. The Secured Party may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and the Debtor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

(c) Without in any way limiting the foregoing, upon the occurrence of any Event of Default, the Secured Party shall have the right, in addition to all other rights provided herein or by law, to take physical possession of any and all of the Collateral and anything found therein, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the Debtor's premises (the Debtor hereby agreeing to lease such premises without cost or expense to the Secured Party or its designee if the Secured Party so requests) or to remove the Collateral or any part thereof to such other places as the Secured Party may desire. Upon the occurrence of any Event of Default, the Secured Party shall have the right to exercise any and all rights with respect to all Deposit Accounts of the Debtor, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw and receive all amounts due or to become due or payable under each such Deposit Account. Upon the occurrence of any Event of Default, the Debtor shall, upon the Secured Party's demand, promptly assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party. If the Secured Party exercises its right to take

possession of the Collateral, the Debtor shall also at its expense perform any and all other steps requested by the Secured Party to preserve and protect the security interest hereby granted in the Collateral, such as placing and maintaining signs indicating the security interest of the Secured Party, appointing overseers for the Collateral and maintaining Collateral records.

(d) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, all rights of the Debtor to exercise the voting and/or consensual powers which it is entitled to exercise pursuant to Section 7(a)(i) hereof and/or to receive and retain the distributions which it is entitled to receive and retain pursuant to Section 7(a)(ii) hereof, shall, at the option of the Secured Party, cease and thereupon become vested in the Secured Party, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property (including, without limitation, the right to deliver notice of control with respect to any Investment Property held in a securities account or commodity account and deliver all entitlement orders with respect thereto) and/or to receive and retain the distributions which the Debtor would otherwise have been authorized to retain pursuant to Section 7(a)(ii) hereof and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange or subscription or any other rights, privileges or options pertaining to any Investment Property as if the Secured Party were the absolute owner thereof. Without limiting the foregoing, the Secured Party shall have the right to exchange, at its discretion, any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Secured Party of any right, privilege or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Secured Party may determine. In the event the Secured Party in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable.

(e) Without in any way limiting the foregoing, the Debtor hereby grants to the Secured Party a royalty-free irrevocable license and right to use all of the Debtor's patents, patent applications, patent licenses, trademarks, trademark registrations, trademark licenses, trade names, trade styles, copyrights, copyright applications, copyright licenses, and similar intangibles in connection with any foreclosure or other realization by the Secured Party on all or any part of the Collateral. The license and right granted the Secured Party hereby shall be without any royalty or fee or charge whatsoever.

(f) The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on it any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property, consisting of similar type assets, it being understood, however, that the Secured Party shall have no responsibility for ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any such Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters. This Security Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Debtor in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. The Secured Party shall have no responsibility for taking any necessary steps to preserve rights against any parties with respect to any Collateral or initiating any action to protect the Collateral against the possibility of a decline in market value. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be

liable for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct.

(g) Failure by the Secured Party to exercise any right, remedy or option under this Security Agreement or any other agreement between the Debtor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver; and no waiver by the Secured Party shall be effective unless it is in writing and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Security Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have.

Section 10. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Secured Party after the occurrence and during the continuation of any Event of Default shall, when received by the Secured Party in cash or its equivalent, be applied by the Secured Party as follows:

(i) first, to the payment and satisfaction of all sums paid and costs and expenses incurred by the Secured Party hereunder or otherwise in connection herewith, including such monies paid or incurred in connection with protecting, preserving or realizing upon the Collateral or enforcing any of the terms hereof, including attorneys' fees and court costs, together with any interest thereon (but without preference or priority of principal over interest or of interest over principal), to the extent the Secured Party is not reimbursed therefor by the Debtor; and

(ii) second, to the payment and satisfaction of the remaining Obligations, whether or not then due (in whatever order the Secured Party elects), both for interest and principal.

The Debtor shall remain liable to the Secured Party for any deficiency. Any surplus remaining after the full payment and satisfaction of the foregoing shall be returned to the Debtor or to whomsoever the Secured Party reasonably determines is lawfully entitled thereto.

Section 11. Continuing Agreement. This Security Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Obligations, both for principal and interest, have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated. Upon such termination of this Security Agreement, the Secured Party shall, upon the request and at the expense of the Debtor, forthwith release its security interest hereunder.

Section 12. Miscellaneous.

(a) This Security Agreement cannot be changed or terminated orally. All of the rights, privileges, remedies and options given to the Secured Party hereunder shall inure to the benefit of its successors and assigns, and all the terms, conditions, covenants, agreements, representations and warranties of and in this Security Agreement shall bind the Debtor and its legal representatives, successors and assigns, provided that the Debtor may not assign its rights or delegate its duties hereunder without the Secured Party's prior written consent.

(b) Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below (or, if no such address is set forth below, at the address of the Debtor as shown on the records of the Secured Party), or such other address or telecopier number as such party may hereafter specify by notice to the other given by

courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

to the Debtor at:

Aspen Park Pharmaceuticals, Inc.
4400 Biscayne Boulevard, Suite 888
Miami, FL 33137
Attn: Daniel Haines, Chief Financial Officer and Chief
Operating Officer
Phone: 312-595-9123
Facsimile: 312-595-9122
E-mail: DHaines@veruhealthcare.com

to the Secured Party at:

BMO Harris Bank N.A.
111 West Monroe Street
Chicago, Illinois 60603
Attention: Jaime Freeman
Telephone: 312-461-5147
Telecopy: 312-293-8571
Email: Jaime.Freeman@bmo.com

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section.

(c) In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Security Agreement shall to such extent be construed as not containing such provision, but only as to such locations where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Security Agreement shall be deemed to have been made in the State of Illinois and shall be governed by, and construed in accordance with, the laws of the State of Illinois. The headings in this Security Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Security Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. The Debtor acknowledges that this Security Agreement is and shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Security Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

(f) The Debtor hereby submits to the non-exclusive jurisdiction of the United States District Court for the Northern District of Illinois and of any Illinois state court sitting in the City of Chicago for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Debtor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought

in such a court has been brought in an inconvenient form. The Debtor and the Secured Party each hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

[Signature Page to Follow]

In Witness Whereof, the Debtor has caused this General Security Agreement to be duly executed and delivered in Chicago, Illinois, as of the date and year first above written.

Aspen Park Pharmaceuticals, Inc.

By: /s/ Mitchell S. Steiner, M.D.
Name: Mitchell S. Steiner, MD.
Title: President and Chief Executive Officer

Accepted and agreed to in Chicago, Illinois, as of the date and year first above written.

BMO Harris Bank N.A.

By: /s/ Jaime Freeman
Name: Jaime Freeman
Title: Vice President

Address for Notices:
BMO Harris Bank N.A.
111 West Monroe Street, 5W
Chicago, Illinois 60603
Attn: Jaime Freeman
Phone: 312-461-1507
Facsimile: 312-461-1507
Email: Jaime.Freeman@bmo.com

Intellectual Property Security Agreement

This Intellectual Property Security Agreement ("**IP Security Agreement**"), dated as of November 28, 2016, is made by and among ASPEN PARK PHARMACEUTICALS, INC., a Delaware corporation (the "**Grantor**") in favor of BMO Harris Bank N.A., a national banking association with its mailing address at 111 West Monroe Street, Chicago, Illinois 60603 (the "**Secured Party**").

WHEREAS, the Grantor and other Borrower, as borrowers, and Secured Party, as lender, have entered into that certain Credit Agreement dated as of December 29, 2015, as amended by that certain First Amendment and Waiver to Credit Agreement and Security Agreement dated as of January 4, 2016, that certain Consent and Amendment to Credit Agreement dated as of March 31, 2016, and that certain Third Amendment to Credit Agreement dated as of the date hereof by and between Borrowers and Secured Party (collectively, the "**Credit Agreement**").

WHEREAS, as a condition to the financial accommodations extended to Grantor by the Secured Party under the Credit Agreement, Grantor has executed and delivered to the Secured Party that certain General Security Agreement bearing even date herewith made by and among the Grantor and the Secured Party (the "**Security Agreement**").

WHEREAS, under the terms of the Security Agreement, the Grantor has granted to the Secured Party a security interest in, among other property, certain intellectual property of the Grantor, and have agreed to execute and deliver this IP Security Agreement, for recording with international, national, federal and state government authorities, including, but not limited to, the United States Patent and Trademark Office and the United States Copyright Office.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees with the Secured Party as follows:

1. **Grant of Security**. Grantor hereby pledges and grants to the Secured Party a security interest in and to all of the right, title and interest of Grantor in, to and under the following (the "**IP Collateral**"):

(a) the patents and patent applications set forth in **Schedule 1** hereto and all reissues, divisions, continuations, continuations-in-part, renewals, extensions and reexaminations thereof and amendments thereto (the "**Patents**");

(b) the trademark registrations and applications set forth in **Schedule 2** hereto, together with the goodwill connected with the use thereof and symbolized thereby and all extensions and renewals thereof (the "**Trademarks**"), excluding only United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant, attachment or enforcement of a security interest therein would, under applicable federal law, impair the registrability of such applications or the validity or enforceability of registrations issuing from such applications;

(c) all rights of any kind whatsoever of Grantor accruing under any of the foregoing provided by applicable law of any jurisdiction, by international treaties and conventions and otherwise throughout the world;

(d) any and all royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and

(e) any and all claims and causes of action with respect to any of the foregoing, whether occurring before, on or after the date hereof, including all rights to and claims for damages, restitution and injunctive and other legal and equitable relief for past, present and future infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages.

2. Recordation. Grantor authorizes the Commissioner for Patents, the Commissioner for Trademarks and the Register of Copyrights and any other government officials to record and register this IP Security Agreement upon request by the Secured Party.

3. Loan Documents. This IP Security Agreement has been entered into pursuant to and in conjunction with the Security Agreement, which is hereby incorporated by reference. The provisions of the Security Agreement shall supersede and control over any conflicting or inconsistent provision herein. The rights and remedies of the Secured Party with respect to the IP Collateral are as provided by the Credit Agreement, the Security Agreement and related documents, and nothing in this IP Security Agreement shall be deemed to limit such rights and remedies.

4. Execution in Counterparts. This IP Security Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this IP Security Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this IP Security Agreement.

5. Successors and Assigns. This IP Security Agreement will be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. Governing Law. This IP Security Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this IP Security Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the United States and the State of Illinois, without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction).

/SIGNATURE PAGE FOLLOWS/

IN WITNESS WHEREOF, Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized in Chicago, Illinois as of the date first above written.

GRANTOR:

ASPEN PARK PHARMACEUTICALS, INC.

By: /s/ Mitchell S. Steiner, M.D.

Name: Mitchell S. Steiner, M.D.

Title: President and Chief Executive Officer

Address for Notices:

Aspen Park Pharmaceuticals, Inc.
4400 Biscayne Blvd.
Suite 888
Miami, FL 33137
Attn: Daniel Haines, Chief Financial Officer and
Chief Operating Officer
Phone: 312-595-9123
Facsimile: 312-595-9122
Email: DHaines@veruhealthcare.com

AGREED TO AND ACCEPTED:

BMO HARRIS BANK N.A.,

as Secured Party

By: /s/ Jaime Freeman

Name: Jaime Freeman

Title: Vice President

Address for Notices:

BMO Harris Bank N.A.
111 West Monroe Street, 5W
Chicago, Illinois 60603
Attn: Jaime Freeman
Phone: 312-461-5147
Facsimile: 312-461-1507
Email: Jaime.Freeman@bmo.com

STOCK PLEDGE AGREEMENT

THIS STOCK PLEDGE AGREEMENT (this "Agreement"), dated as of November 28, 2016, is executed by and between **The Female Health Company** ("Pledgor"), with its chief executive office and principal place of business located at 150 N. Michigan Avenue, Suite 1580, Chicago, Illinois 60601, and **BMO Harris Bank N.A.**, a national banking association ("Lender"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement referred to herein below.

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of December 29, 2015, as amended by that certain First Amendment and Waiver to Credit Agreement and Security Agreement dated as of January 4, 2016, that certain Consent and Amendment to Credit Agreement dated as of March 31, 2016, and that certain Third Amendment to Credit Agreement dated as of the date hereof (such Credit Agreement, as amended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement," terms not otherwise defined herein shall have the meanings provided for in the Credit Agreement), by and among Pledgor and Aspen Park Pharmaceuticals, Inc., a Delaware corporation ("APP" or "Issuer") (Pledgor and APP are collectively sometimes hereinafter referred to as "Borrowers"), Guarantors, and Lender, Lender has agreed to make certain loans and other extensions of credit to or for the account of Borrowers which loans, among other things, constitute the "Obligations" (as such term is defined in the Credit Agreement), in each case upon the terms and subject to the conditions set forth therein, and which loans are evidenced by an Amended and Restated Revolving Note dated as of the date hereof executed by Borrowers in the original principal amount of \$10,000,000.00 (the "Note"); and

WHEREAS, Pledgor is the record and/or beneficial owner of 100% of the issued and outstanding capital stock of Issuer;

WHEREAS, Issuer is a wholly-owned Subsidiary of the Pledgor; and

WHEREAS, Lender has required, as a condition, among others, to the Loans and other extensions of credit under the Note by Lender to Borrowers, and in consideration thereof, that Pledgor execute and deliver this Agreement to Lender to secure the Obligations of the Borrowers to the Lender pursuant to the Credit Agreement and other Loan Documents;

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

1. **Pledge.** Pledgor hereby pledges to Lender, and grants to Lender a first priority perfected security interest and Lien, on all of the following property and interests in property of Pledgor (the "Pledged Collateral");

(a) all capital stock of Issuer now or at any time or times hereafter owned or held beneficially or of record by Pledgor, including, without limitation, all of such capital stock described on Exhibit A hereto (collectively, the "Pledged Securities");

(b) all warrants, options and other rights to acquire, and rights in and to, the capital stock of Issuer now or at any time or times hereafter owned or held beneficially or of record by Pledgor (collectively, the "Rights");

(c) all instruments and certificates representing or evidencing the capital stock of Issuer owned or held beneficially or of record by Pledgor;

(d) all other property now or at any time or times hereafter received, receivable or otherwise distributed in respect of or in exchange or substitution for any or all of the capital stock of Issuer owned or held beneficially or of record

by Pledgor and/or all Rights pertaining or related thereto, including, without limitation, all dividends, cash and other payments and distributions of any kind whatsoever; and

(e) all proceeds of all of the foregoing.

Pledgor agrees to execute and deliver to Lender: (i) an assignment separate from certificates substantially in the form of Exhibit B hereto, undated and appropriately endorsed in blank, with respect to the Pledged Securities and any warrants or options for the purchase of capital stock of Issuer included in the Rights and (ii) such other documents of transfer as Lender may from time to time request to enable Lender to transfer, after the occurrence and during the continuance of an Event of Default, the Pledged Collateral into its name or the name of its nominee.

2. **Security for Liabilities.** The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Pledgor hereunder, and the Borrowers and Guarantors under the Note, the Credit Agreement and the other Loan Documents (the Obligations, including all obligations and liabilities of Pledgor hereunder now or hereafter existing being hereinafter referred to collectively as the "Liabilities").

3. **Perfection of Security Interest.** Subject to the provisions of Section 6.12 of the Credit Agreement, Pledgor agrees to (i) immediately deliver to Lender or Lender's nominee all certificates or other instruments evidencing any of the Pledged Collateral which may at any time come into the possession of Pledgor, (ii) instruct each "securities intermediary" (as defined in the UCC), if any, with whom Pledgor maintains an account reflecting Pledgor's ownership of any of the Pledged Collateral to note Lender's security interest in such Pledged Collateral on the books and records of such securities intermediary, (iii) execute and deliver a notice of Lender's Lien on the Pledged Collateral (which notice shall be in form and substance satisfactory to Lender and may request acknowledgment thereof from the addressee) to each third party which either has possession of the Pledged Collateral or any certificates evidencing any of the Pledged Collateral or otherwise has the ability under applicable law to transfer ownership of any of the Pledged Collateral (whether at the direction of Pledgor or otherwise), (iv) execute and deliver to Lender such financing statements as Lender may request with respect to the Pledged Collateral, and (v) take such other steps as Lender may from time to time reasonably request to perfect Lender's security interest in the Pledged Collateral or any part thereof under applicable law.

4. **Pledged Collateral Adjustments.** If, during the term of this Agreement:

(a) any stock dividend, reclassification, readjustment or other change is declared or made in the capital structure of the Issuer, or any option, warrant or similar instrument included within the Pledged Collateral is exercised, or both, or

(b) any subscription warrants, options or other Rights shall be issued in connection with the Pledged Collateral,

then all new, substituted and additional shares, membership interests warrants, options, Rights or other capital stock, issued by reason of any of the foregoing, shall be immediately delivered to and held by Lender under the terms of this Agreement and shall constitute Pledged Collateral hereunder, subject to the provisions of Section 6.12 of the Credit Agreement; provided, that, nothing contained in this Section 4 is intended or shall be deemed or construed to permit any stock dividend, issuance of additional capital stock, warrants, options or other Rights, reclassification, readjustment or other change in the capital structure of any Issuer which is not expressly permitted in the Note and the Credit Agreement.

5. **Additional Affiliates of Issuer.** If, during the term of this Agreement, Pledgor shall acquire any capital stock of any Subsidiary of Issuer, such Pledgor shall, upon the request of Lender, (i) immediately deliver such capital stock, and all certificates evidencing the same, to Lender to be held as additional collateral security for the prompt and complete payment, performance and observance of the Liabilities, (ii) promptly deliver to Lender a supplement to this Agreement, in such form and substance acceptable to Lender, duly completed, adding such Capital Stock and the name of such Subsidiary to Exhibit A attached hereto and (iii) promptly cause such Subsidiary to execute and deliver an acknowledgment and consent in such form and substance acceptable to Lender; provided, however that if any delivery required by this Section 5 would result in a material adverse, incremental

tax liability to the Pledgor or the Issuer under Section 956 of the Code, the deliveries pursuant to this Section 5 shall be limited to sixty-five percent (65%) of the capital stock of such Subsidiary of the Issuer, provided further, that at such time as an amendment of the Code to allow the pledge of a greater percentage of capital stock without adverse tax consequences, the Collateral shall include, and the security interest granted by the Pledgor to the Lender in and to such capital stock of such Subsidiary of the Issuer shall attach to, such greater percentage of capital stock. For purposes hereof and the other Loan Documents, any references to the Pledged Collateral, from time to time, shall include the limitation as set forth above.

6. **Subsequent Changes Affecting Pledged Collateral.** Pledgor hereby represents and warrants that it has made its own arrangements for keeping itself informed of changes or potential changes affecting the Pledged Collateral (including, but not limited to, rights to convert, rights to subscribe, payment of dividends, reorganization or other exchanges, tender offers and voting rights), and Pledgor agrees that Lender shall not have any obligation to inform Pledgor of any such changes or potential changes or to take any action or omit to take any action with respect thereto. Lender may, after the occurrence and during the continuance of a Default or an Event of Default, without notice and at its option, transfer or register the Pledged Collateral or any part thereof into its or its nominee's name with or without any indication that such Pledged Collateral is subject to the Lien created hereunder. In addition, Lender may at any time exchange certificates or other instruments representing or evidencing Pledged Collateral for certificates or other instruments of smaller or larger denominations.

7. **Representations and Warranties.** Pledgor hereby represents and warrants to Lender as follows:

(a) Pledgor is the sole legal and beneficial owner of the Pledged Securities, which constitute 100% of the issued and outstanding capital stock of the Issuer, free and clear of any lien or encumbrance, except for the Lien created by this Agreement

(b) The capital stock issued by Issuer have in each case been duly authorized and validly issued and are fully paid and non-assessable;

(c) The Pledged **Securities** constitute one hundred percent (100%) of the issued and outstanding capital stock of Issuer which are all owned or held beneficially or of record by Pledgor;

Pledgor has full individual, trust or corporate power and authority, as the case may be, to enter into this Agreement and has the right to vote, assign, deposit, pledge and grant a Lien on or otherwise transfer the Pledged Collateral free and clear of any liens or encumbrances

There are no restrictions upon the voting or other consensual rights associated with, or upon the transfer of, any of the Pledged Collateral other than restrictions imposed by applicable securities laws and regulations;

(f) No consent, authorization, approval, or other action by, and no notice to or filing with, any Governmental Authority is required either (i) for the pledge of the Pledged Collateral pursuant to this Agreement or for the execution or delivery by Pledgor of, or performance by Pledgor under, this Agreement or (ii) for the exercise by Lender of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally);

(g) The pledge of the Pledged Collateral pursuant to this Agreement, together with the delivery of the certificate evidencing the Pledged Securities, creates a valid and perfected first priority security interest in and Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Liabilities; and

(h) Each of the powers granted by the Pledgor to the Lender pursuant to this Agreement is duly executed and gives Lender the authority it purports to confer.

(i) The Issuer is authorized to issue 100 shares of common stock with a par value of \$0.01 per share.

8. **Voting Rights.** During the term of this Agreement, and except as otherwise provided in this Section 8, Pledgor shall have the right to vote the Pledged Securities on all corporate, as the case may be, questions in a manner not inconsistent with the terms of this Agreement, the Note, the Credit Agreement or any of the other Loan Documents. After the occurrence and during the continuance of an Event of Default, Lender may, at Lender's sole option and following written notice from Lender to Pledgor, exercise all voting and other consensual powers and rights of any kind whatsoever pertaining to the Pledged Collateral or any part thereof, including the right to take action by shareholder or member consent, as applicable.

9. **Dividends and Other Distributions.**

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Pledgor shall be entitled to receive and retain any and all dividends and other distributions paid in respect of the Pledged Collateral, provided, that any and all:

(A) dividends and other distributions paid or payable other than in cash with respect to, and instruments and other property received, receivable or otherwise distributed with respect to, or in exchange for, any of the Pledged Collateral;

(B) dividends and other distributions paid or payable in cash with respect to any of the Pledged Collateral on account of a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus; and

(C) cash paid, payable or otherwise distributed with respect to principal of, or in redemption of, on account of, or in exchange for, any of the Pledged Collateral;

shall be Pledged Collateral, and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for Lender, be segregated from the other property or funds of Pledgor, and be delivered immediately to Lender as Pledged Collateral in the same form as so received (with any necessary endorsements); provided that the Pledgor may make Restricted Payments to the extent permitted by Section 7.6 of the Credit Agreement; and

(ii) Lender shall execute and deliver (or cause to be executed and delivered) to Pledgor all such proxies and other instruments as Pledgor may reasonably request for the purpose of enabling Pledgor to receive the dividends or interest payments which it is authorized to receive and retain pursuant to clause (i) above.

(b) After the occurrence and during the continuance of an Event of Default:

(i) All rights of Pledgor to receive the dividends or other distributions which it would otherwise be authorized to receive and retain pursuant to Section 9(a)(i) hereof shall cease, and all such rights shall thereupon become vested in Lender, which shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends and other distributions;

(ii) All dividends and other distributions which are received by Pledgor contrary to the provisions of clause (i) of this Section 9(b) shall be received in trust for Lender, shall be segregated from other funds of Pledgor and shall be paid over immediately to Lender as Pledged Collateral in the same form as so received (with any necessary endorsements); and

Pledgor shall, upon the request of Lender at Pledgor's expense, do or cause to be done all such other acts and things as may be necessary to make such sale of the Pledged Collateral or any part thereof valid and binding and in compliance with applicable law.

10. **Transfers and Other Liens.** Pledgor agrees that it will not (i) sell or otherwise dispose of, or grant any option or other Rights with respect to, any of the Issuer's capital stock, or (ii) create or permit to exist any Lien or encumbrance upon or with respect to any of the Issuer's capital stock, except for the Lien created hereunder.

11. **Default; Remedies.**

(a) An event of default hereunder, under the Note, the Credit Agreement or any of the other Loan Documents shall be deemed an Event of Default hereunder. Lender shall have, in addition to any other rights given under this Agreement, the Note, the Credit Agreement or any other Loan Document or by applicable law, all of the rights and remedies with respect to the Pledged Collateral of a secured party under the UCC. In addition, upon the occurrence and during the continuance of an Event of Default, Lender shall have such powers of sale and other powers as may be conferred by applicable law. With respect to the Pledged Collateral or any part thereof which shall then be in or shall thereafter come into the possession or custody of Lender, or which Lender shall otherwise have the ability to transfer under applicable law, Lender may, in its sole discretion, without notice except as specified below, after the occurrence and during the continuance of an Event of Default, sell or cause the same to be sold at any exchange, broker's board or at public or private sale, in one or more sales or lots, at such price as Lender may deem best, for cash or on credit or for future delivery, without assumption of any credit risk, and the purchaser of any or all of the Pledged Collateral so sold shall thereafter own the same, absolutely free and clear from any subordinate claim, encumbrance or right of any kind whatsoever. Lender may, in its own name, or in the name of a designee or nominee, buy the Pledged Collateral at any public sale and, if permitted by applicable law, buy the Pledged Collateral at any private sale. Pledgor will pay to Lender all reasonable expenses (including, without limitation, court costs and reasonable attorneys' and paralegals' fees and expenses) of, or incident to, the enforcement of any of the provisions hereof. Lender agrees to apply any proceeds of the sale of the Pledged Collateral to the Liabilities in accordance with the Note, the Credit Agreement and the Loan Documents and Pledgor shall remain liable for any deficiency following the sale of the Pledged Collateral.

(b) Unless any of the Pledged Collateral threatens to decline speedily in value or is or becomes of a type sold on a recognized market, Lender will give Pledgor reasonable notice of the time and place of any public sale thereof, or of the time after which any private sale or other intended disposition is to be made. Any sale of the Pledged Collateral conducted in conformity with reasonable commercial practices of banks, commercial finance companies, insurance companies or other financial institutions disposing of property similar to the Pledged Collateral shall be deemed to be commercially reasonable. Notwithstanding any provision to the contrary contained herein, Pledgor agrees that any requirements of reasonable notice shall be met if such notice is received by Pledgor as provided in Section 22 below at least ten (10) Business Days before the time of the sale or disposition; provided, that Lender may give any shorter notice that is commercially reasonable under the circumstances. Any other requirement of notice, demand or advertisement for sale is waived, to the extent permitted by law.

(c) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after an Event of Default, Pledgor agrees that after the occurrence of and during the continuance of an Event of Default, Lender may, from time to time, attempt to sell all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than four (4) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

12. **Security Interest Absolute.** The respective rights of Lender, the Liens created hereunder and all obligations of Pledgor, in each case hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Note, the Credit Agreement or any of the other Loan Documents;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Liabilities, or any other amendment or waiver of or any consent to any departure from the Note, the Credit Agreement or any of the other Loan;

(c) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any part of the Liabilities; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgor in respect of the Liabilities or of this Agreement.

13. **Lender Appointed Attorney-in-Fact.** Pledgor hereby appoints Lender its attorney-in-fact, with full authority, in the name of Pledgor or otherwise, after the occurrence and during the continuance of an Event of Default, from time to time in Lender's sole discretion, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of each Issuer to the name of Lender or Lender's nominee

14. **Waivers.** Pledgor waives presentment and demand for payment of any of the Liabilities, protest and notice of dishonor or the occurrence of any default with respect to any of the Liabilities, and all other notices to which Pledgor might otherwise be entitled, except as otherwise expressly provided herein, in the Note, the Credit Agreement or in any of the other Loan Documents.

15. **Term.** This Agreement shall remain in full force and effect until the indefeasible payment in full of the Obligations and Liabilities. Upon the indefeasible payment in full (other than as a result of the sale of the Pledged Collateral), Lender will release the Lien created hereunder and, if it then has possession of any Pledged Securities, will deliver such Pledged Securities and the related powers to Pledgor free and clear of all Liens created in favor of Lender.

16. **Definitions.** The singular shall include the plural and vice versa and any gender shall include any other gender as the context may require.

17. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of Pledgor and Lender, and their respective successors and assigns. Pledgor's successors and assigns shall include, without limitation, a receiver or successor trustee of or for Pledgor.

18. **Governing Law.** **THE RIGHTS AND DUTIES OF PLEDGOR AND LENDER UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.**

19. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Agreement shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

20. **Further Assurances.** Pledgor agrees that it will cooperate with Lender and will execute and deliver, or cause to be executed and delivered, all such other stock powers, proxies, instruments and documents, and will take all such other actions, including, without limitation, the execution and filing of financing statements, as Lender may reasonably request from time to time in order to carry out the provisions and purposes of this Agreement.

21. **Duty of Care.** Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with such Lender's (i) gross negligence or willful misconduct, or (ii) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in Lender's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Pledgor, and shall constitute part of the Liabilities secured hereby.

22. **Notices.** Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties

by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth in the Credit Agreement. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

23. **Amendments, Waivers and Consents.** No amendment or waiver of any provision of this Agreement nor consent to any departure by any of Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

24. **Section Headings.** The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

25. **Execution in Counterparts.** This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

26. **Merger.** This Agreement represents the final agreement of Pledgor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between Pledgor and Lender.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Pledgor and Lender have each caused this Stock Pledge Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

PLEDGOR:

The Female Health Company

By: /s/ Mitchell S. Steiner, M.D.
Name: Mitchell S. Steiner, M.D.
Title: President and Chief Executive Officer

LENDER:

BMO Harris Bank N.A.

By: /s/ Jaime Freeman
Name: Jaime Freeman
Title: Vice President



Contact:
Kevin Gilbert 312.366.2633

The Female Health Company / Veru Healthcare Announces That BMO Harris Bank, N.A. Approves Amendment to Maintain Existing \$10 Million Credit Facility

MIAMI – November 29, 2016 – The Female Health Company / Veru Healthcare (NASDAQ-CM: FHCO) (FHC) today announced that it has completed an amendment to its existing \$10 million revolving credit facility with BMO Harris Bank, N.A. FHC recently completed a transformational merger with Aspen Park Pharmaceuticals, Inc. (APP), a company focused on the development and commercialization of pharmaceutical and consumer health products for men's and women's health and oncology. The credit facility was approved and amended because of the merger, and as a result of the amendment the credit line is now available in accordance with its terms.

"The amended credit agreement increases our financial flexibility which allows more working capital for general corporate purposes," said Mitchell Steiner, M.D. President and Chief Executive Officer of The Female Health Company / Veru Healthcare.

The revolving credit facility is secured by a lien against substantially all of the company's assets and expires on December 29, 2017.

About The Female Health Company / Veru Healthcare

The Female Health Company / Veru Healthcare is a medical therapeutics company, with a focus on the development and commercialization of pharmaceuticals that qualify for the FDA's 505(b)(2) accelerated regulatory approval pathway as well as the 505(b)(1) pathway. The Company does business both as "Veru Healthcare" and as "The Female Health Company" and is organized as follows:

- Veru Healthcare manages the Pharmaceuticals Division, which develops and commercializes pharmaceutical products for men's and women's health and oncology.
 - Veru Healthcare manages the Consumer Health and Medical Devices Division, which is focused on commercializing sexual healthcare products and devices for the consumer market, including the Company's Female Condom (FC2), which is referred to as the FC2 Female Condom® in the consumer health products sector and as the Female Disposable Contraceptive Device (FC2) in the U.S. prescription market, and PREBOOST® medicated individual wipes which is a male genital desensitizing drug product that helps in the prevention of premature ejaculation.
 - The Female Health Company manages the Global Public Health Division, which is focused on the global public health sector FC2 business. This division markets the Company's Female Condom (FC2) to entities, including ministries of health, government health agencies, U.N. agencies, nonprofit organizations and commercial partners, that work to support and improve the lives, health and well-being of women around the world.
-

More information about the Female Health Company and its products can be found at www.femalehealth.com, www.veruhealthcare.com and www.femalecondom.org. For corporate and investor-related information about the company, please visit www.FHCinvestor.com.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995:

The statements in this release which are not historical fact are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include statements relating to the continued availability of Company's revolving credit facility and the intended use of any amounts borrowed under the facility. These statements are based upon the Company's current plans and strategies, and reflect the Company's current assessment of the risks and uncertainties related to its business, and are made as of the date of this release. The Company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events, developments or circumstances. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. The Company's actual results and future developments could differ materially from the results or developments expressed in, or implied by, these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following: product demand and market acceptance; competition in the Company's markets and the risk of new competitors and new competitive product introductions; risks relating to the ability of the Company to obtain sufficient financing on acceptable terms when needed to fund development and operations; risks related to the development of the Company's product portfolio, including clinical trials, regulatory approvals and time and cost to bring to market; many of the Company's products are at an early stage of development and the Company may fail to successfully commercialize such products; risks related to intellectual property, including licensing risks; government contracting risks, including the appropriations process and funding priorities, potential bureaucratic delays in awarding contracts, process errors, politics or other pressures, and the risk that government tenders and contracts may be subject to cancellation, delay or restructuring; a governmental tender award indicates acceptance of the bidder's price rather than an order or guarantee of the purchase of any minimum number of units, and as a result government ministries or other public sector customers may order and purchase fewer units than the full maximum tender amount; the Company's reliance on its international partners in the consumer sector and on the level of spending on the female condom by country governments, global donors and other public health organizations in the global public sector; the economic and business environment and the impact of government pressures; risks involved in doing business on an international level, including currency risks, regulatory requirements, political risks, export restrictions and other trade barriers; the Company's production capacity, efficiency and supply constraints; risks related to the costs and other effects of litigation; the Company's ability to identify, successfully negotiate and complete suitable acquisitions or other strategic initiatives; the Company's ability to successfully integrate acquired businesses, technologies or products; and other risks detailed in the Company's press releases, shareholder communications and Securities and Exchange Commission filings, including the Company's Form 10-K for the year ended September 30, 2015 and the Company's proxy statement filed on August 8, 2016. These documents are available on the "SEC Filings" section of our website at www.veruhealthcare.com/investors.

#