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

Form 8-K

**Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 13, 2012 (August 12, 2012)**

Verint Systems Inc.

(Exact name of registrant as specified in its charter)

001-34807
(Commission File Number)

Delaware
(State or other jurisdiction
of incorporation)

330 South Service Road, Melville, New York
(Address of principal executive offices)

11-3200514
(I.R.S. Employer
Identification No.)

11747
(Zip code)

(631) 962-9600
(Registrant's telephone number, including area code)

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

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

Merger Agreement

On August 12, 2012, Verint Systems Inc. (“Verint”) and Converse Technology, Inc. (“CTI”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) providing for the merger, upon the terms and subject to the conditions set forth in the Merger Agreement, of CTI with and into a wholly-owned subsidiary of Verint (the “Merger”). At the completion of the Merger, each share of CTI common stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive new shares of Verint common stock (“Verint Common Stock”) at an exchange ratio specified in the Merger Agreement and described below. The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

As of July 31, 2012, CTI held shares of Verint Common Stock representing approximately 41.0% of the total number of shares of Verint Common Stock outstanding, as well as all of Verint’s outstanding Series A Convertible Preferred Stock (“Verint Preferred Stock”) which, if converted, would result in CTI holding in the aggregate approximately 53.7% of the total number of shares of Verint Common Stock then outstanding.

Completion of the Merger is contingent upon, among other things, completion of CTI’s previously announced distribution to its shareholders of substantially all of its assets other than its interest in Verint, including its interest in Converse, Inc. (“CNS”) (referred to as the “CNS share distribution”), or other sale or disposition by CTI of those assets (referred to as a “CNS disposition”).

The share exchange provision of the Merger Agreement provides that each holder of shares of CTI common stock will receive new shares of Verint Common Stock representing such holder’s pro rata portion of an aggregate number of shares of Verint Common Stock equal to the sum of (1) the shares of Verint Common Stock held by CTI immediately prior to the completion of the Merger (including the shares of Verint Common Stock issuable upon conversion of the shares of Verint Preferred Stock held by CTI at a conversion price of \$32.66) plus (2) additional shares of Verint Common Stock the number of which is equal to the dollar value described below (the “Target Amount”) divided by the average of the daily volume weighted averages of the trading prices of Verint Common Stock on the NASDAQ Global Market during the 20 consecutive trading days ending on the second trading day immediately prior to the closing date of the Merger, plus (3) additional shares of Verint Common Stock based on the positive net worth of CTI (as determined in accordance with the Merger Agreement) immediately prior to the completion of the Merger, up to a maximum of dollar value of \$10 million. The Target Amount will be \$25 million if the CNS share distribution or a CNS disposition occurs on or prior to October 31, 2012 and will be reduced (a) to \$15 million if the CNS share distribution or a CNS disposition occurs after October 31, 2012 but on or prior to January 31, 2013, (b) to \$5 million if the CNS share distribution or a CNS disposition occurs after January 31, 2013 but on or prior to April 30, 2013 and (c) to zero if the CNS share distribution or a CNS disposition occurs after April 30, 2013 or, if as of the completion of the Merger, CTI beneficially owns less than 50% of the outstanding shares of Verint Common Stock (on an as-exercised and fully diluted basis), unless such level of ownership results from the issuance by Verint of new shares of voting securities after the date of the Merger Agreement.

Each outstanding share of Verint Common Stock and Verint Preferred Stock held by CTI at the completion of the Merger will be cancelled. Any outstanding shares of Verint Preferred Stock held by stockholders other than CTI will be cancelled and converted into shares of Verint Common Stock in accordance with the terms of the certificate of designation of the Verint Preferred Stock, which will be amended prior to completion of the Merger to provide for such cancellation and conversion. Holders of shares of Verint Common Stock immediately prior to the completion of the Merger, other than CTI, will continue to own their existing shares, which will not be affected by the Merger.

The completion of the Merger is subject to several conditions that the parties believe are customary for transactions of this type, including, among others, (1) that the CNS share distribution or a CNS disposition be completed at least one day prior to the closing date of the Merger, (2) the adoption of the Merger Agreement by the requisite votes of Verint's stockholders and CTI's shareholders as well as, in the case of Verint, by the affirmative vote of holders representing a majority of shares of Verint Common Stock present, in person or by proxy, at the meeting of stockholders that are not held by CTI or its subsidiaries, (3) the absence of a material adverse effect with respect to Verint, CTI or CNS, (4) effectiveness of the Form S-4 registration statement relating to the issuance of the Verint Common Stock in the Merger and the absence of any stop order (or proceedings seeking a stop order) in respect thereof, (5) authorization for listing on the NASDAQ Stock Market of the Verint Common Stock to be issued in the Merger and (6) receipt of tax opinions from Verint's and CTI's respective counsel stating that the Merger should be treated as a reorganization qualifying under Section 368(a) of the Internal Revenue Code.

In addition, completion of the Merger by Verint is subject to other conditions, including (1) receipt of confirmation of the positive net worth of CTI (as determined in accordance with the Merger Agreement), (2) receipt of copies of the opinions with respect to the capital adequacy of CTI and CNS (or in the case of a disposition of CNS, the acquirer of CNS) delivered to the CTI board of directors from a nationally recognized provider of such opinions, (3) determination by Verint's board of directors (in good faith after consultation with counsel) that there are no pending or threatened actions (other than stockholder actions arising out of the potential Merger or the CNS share distribution) that create a liability to Verint in excess of \$10 million or a material adverse effect on CTI, taking into account certain indemnification obligations, and (4) if the CNS disposition occurs, the agreements relating to such disposition not incorporating, in all material respects, the terms, conditions rights or privileges currently set forth in the agreements relating to the CNS share distribution that are for the benefit of CTI, including any right of indemnity.

The Merger Agreement restricts CTI from amending or modifying the terms of the agreements relating to the CNS share distribution from the forms attached to the Merger Agreement without Verint's consent if those amendments or modifications would adversely affect the rights of Verint or CTI under those agreements in any material respect, including without limitation the right of CTI to be indemnified for specified losses related to CNS.

The Merger Agreement provides certain termination rights to both Verint and CTI, including in the event that the CNS share distribution or a CNS disposition does not occur by April 30, 2013, and further provides that in connection with the termination of the Merger

Agreement under specified circumstances, Verint may be required to pay CTI, or CTI may be required to pay Verint, a fee of \$10 million and/or such party's out-of-pocket expenses. Furthermore, upon termination of the Merger Agreement under certain circumstances, CTI and Verint would be entitled to certain rights and subject to certain obligations set forth in the Governance and Repurchase Rights Agreement, as further described below.

Verint's board of directors, acting on the unanimous recommendation of a special committee of the board (the "Special Committee") comprised solely of independent and disinterested directors, has approved the Merger Agreement and the transactions contemplated thereby and has recommended that Verint's stockholders (other than CTI) vote to approve the Merger Agreement and the transactions contemplated thereby. The Special Committee negotiated the terms of the Merger Agreement with the assistance of Citigroup Global Markets Inc., its financial advisor. The Merger Agreement and the transactions contemplated thereby were also approved by CTI's board of directors.

The foregoing description of the Merger Agreement is qualified in its entirety by reference to the terms of the Merger Agreement, a copy of which has been filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated herein by reference.

Voting Agreement

In connection with entering into the Merger Agreement, CTI entered into a Voting Agreement (the "Voting Agreement") with Verint pursuant to which CTI agreed, among other things, to vote the shares of Verint Common Stock and Verint Preferred Stock beneficially owned by CTI in favor of the adoption of the Merger Agreement. CTI also agreed to comply with certain restrictions on the disposition of such shares as set forth in the Voting Agreement, including requiring any transferee of CTI's voting securities to be bound by the terms of the Voting Agreement. Pursuant to its terms, the Voting Agreement will terminate upon the earlier to occur of (1) the completion of the Merger and (2) the termination of the Merger Agreement in accordance with its terms.

The foregoing description of the Voting Agreement is qualified in its entirety by reference to the terms of the Voting Agreement, a copy of which has been filed as Exhibit 2.2 to this Current Report on Form 8-K and incorporated herein by reference.

Governance and Repurchase Rights Agreement

Also in connection with entering into the Merger Agreement, Verint and CTI entered into a Governance and Repurchase Rights Agreement (the "Governance and Repurchase Rights Agreement").

Pursuant to the Governance and Repurchase Rights Agreement, in the event the Merger Agreement is terminated either because (i) the CNS share distribution or a CNS disposition failed to occur by April 30, 2013 (but only if CTI shareholder approval was obtained) or (ii) a knowing or deliberate breach by CTI of its obligations under the Merger Agreement was not cured within 30 days of notice ("Trigger Events"), then during the 18 months following such termination, unless the Governance and Repurchase Rights Agreement is terminated earlier in accordance with its terms (the "Option Period"), Verint will use commercially reasonable efforts

to cause its board of directors to be comprised of (1) nine directors for so long as the Letter Agreement dated May 30, 2012 among CTI, Cadian Capital Management, LLC (“Cadian Capital”), Cadian Fund LP, Cadian Master Fund LP and Cadian GP LLC (the “Cadian Agreement”) remains in effect and (2) seven directors in the event the Cadian Agreement is no longer in effect. Each party has agreed to use commercially reasonable efforts to ensure that any slate of nominees recommended for election to the Verint board of directors during the Agreement Term (as defined below) will include the following individuals: (a) for so long as CTI beneficially owns 50% or more of Verint’s outstanding voting securities (on an as-exercised and fully diluted basis) and the Cadian Agreement remains in effect, up to two nominees designated by CTI and up to three nominees designated by Cadian Capital, (b) for so long as either CTI beneficially owns more than 30% but less than 50% of the Verint’s outstanding voting securities (on an as-exercised and fully diluted basis) and the Cadian Agreement remains in effect or CTI owns more than 50% of Verint’s outstanding voting securities (on an as-exercised and fully diluted basis) and the Cadian Agreement is no longer in effect, up to two nominees designated by CTI, and (c) for so long as CTI beneficially owns more than 15% but less than 30% of Verint’s outstanding voting securities (on an as-exercised and fully diluted basis), one nominee designated by CTI. During the Agreement Term and for so long as the Cadian Agreement remains in effect, CTI will not amend, alter or supplement any of the terms or conditions of the Cadian Agreement relating to Verint or its board of directors, including the requirement contained in that agreement that all Verint directors designated by Cadian Capital qualify as “independent” pursuant to the NASDAQ listing standards, without Verint’s prior written consent.

In addition, following a Trigger Event, until the earlier of the expiration of the Option Period and the forfeiture of the Call Option (as defined below), neither CTI nor its affiliates will, directly or indirectly, acquire or propose to acquire beneficial ownership of any of Verint’s outstanding voting securities other than shares of Verint Common Stock acquired pursuant to the conversion of the Verint Preferred Stock beneficially owned by CTI (the “Standstill”).

CTI also agreed that for so long as the Verint board of directors is not comprised of a majority of directors that qualify as “independent” pursuant to the NASDAQ listing standards, CTI will, following a Trigger Event through the Agreement Term, other than with respect to elections of directors, vote the Verint voting securities that it beneficially owns (1) in proportion to the votes cast with respect to Verint voting securities not beneficially owned by CTI, unless the matter being voted upon (a) would materially and adversely affect the rights of the Verint Preferred Stock disproportionately relative to the rights of the Verint Common Stock, (b) solely relates to holders of Verint Preferred Stock or (c) would disproportionately have a material and adverse impact on holders of Verint Common Stock that own more than 9% of Verint’s outstanding voting securities (on an as-exercised and fully diluted basis), and (2) as instructed by CTI’s public shareholders in the event of a proposal with respect to (a) the sale, conveyance or disposition of all or substantially all of the assets of Verint or of Verint’s significant subsidiaries to a third party, (b) the consummation of certain transactions by which any person or group is or becomes the beneficial owner, directly or indirectly, of 50% or more of Verint’s voting securities or (c) specified other consolidations, mergers or business combinations involving Verint.

In addition, CTI granted Verint the right (which right may only be exercised once) following a Trigger Event and during the Option Period to purchase such number of shares (the

“Option Shares”) of Verint Preferred Stock owned by CTI (or Verint Common Stock into which such Verint Preferred Stock has been converted) that would result in CTI having beneficial ownership of Verint voting securities of less than 50% but not less than 49.5% (on an as-exercised and fully diluted basis) (the “Call Option”). The purchase price of the Option Shares upon the exercise of the Call Option would be equal to the sum of (1) the aggregate liquidation preference of the Verint Preferred Stock to be purchased, plus (2) the aggregate market value (determined in accordance with the Governance and Repurchase Rights Agreement) of any Verint Common Stock to be purchased, plus (3) a pro rata portion of \$5 million based on the number of Option Shares to be purchased (determined in accordance with the Governance and Repurchase Rights Agreement) relative to the total number of outstanding shares of the Verint Preferred Stock.

Verint also granted CTI the right (which right may only be exercised once) to cause Verint to purchase the Option Shares (the “Put Option” and, together with the Call Option, the “Options”) in the event the Merger Agreement is terminated because the CNS share distribution or a CNS disposition failed to occur by April 30, 2013 (but only if CTI shareholder approval was obtained). The purchase price of the Option Shares upon the exercise of the Put Option would be equal to the lesser of (1) the sum of (a) the aggregate liquidation preference of the Verint Preferred Stock to be purchased plus (b) the aggregate market value (determined in accordance with the Governance and Repurchase Rights Agreement) of any Verint Common Stock to be purchased and (2) the sum of (a) the aggregate market value (determined in accordance with the Governance and Repurchase Rights Agreement) for the Option Shares (on an as-converted basis) plus (b) \$25 million.

Each Option will automatically terminate in the event CTI beneficially owns less than 50% of Verint’s outstanding voting securities (on an as-exercised and fully diluted basis) unless an Option had been exercised but not consummated in accordance with the terms of the Governance and Repurchase Rights Agreement, in which case the termination date will be extended until the consummation of the Option. If CTI properly exercises its Put Option but Verint does not consummate the Put Option, CTI’s sole remedy would be Verint’s forfeiture of its Call Option and the termination of the Standstill.

Pursuant to its terms, the Governance and Repurchase Rights Agreement will terminate upon the earlier of the expiration of the Option Period and the date on which CTI consummates a transaction involving CTI pursuant to which the CTI shareholders immediately preceding such transaction would hold securities representing less than 50% of the total outstanding voting power of the surviving or resulting entity of such transaction, unless an Option had been exercised at that time, in which case the termination date will be extended until the consummation of the Option (such period, the “Agreement Term”).

The foregoing description of the Governance and Repurchase Rights Agreement is qualified in its entirety by reference to the terms of the Governance and Repurchase Rights Agreement, a copy of which has been filed as Exhibit 2.3 to this Current Report on Form 8-K and incorporated herein by reference.

* * * * *

Additional Information

In connection with the Merger, Verint and CTI expect to file with the Securities and Exchange Commission ("SEC") a joint proxy statement/prospectus as part of a registration statement on Form S-4. Investors and security holders are urged to read the joint proxy statement/prospectus, registration statement and any other relevant documents when they become available because they will contain important information about Verint, CTI and the proposed transaction. The joint proxy statement/prospectus and other documents relating to the proposed transaction (when they are available) can be obtained free of charge from the SEC's website at www.sec.gov. The documents (when they are available) can also be obtained free of charge from Verint on its website (www.verint.com) or upon written request to Verint Systems Inc., 330 South Service Road, Melville, New York 11747, Attention: Investor Relations or by calling (631) 962-9600, or from CTI on its website (www.cmv.com) or upon written request to Comverse Technology, Inc., 810 Seventh Avenue, New York, New York 10019, Attention: Investor Relations or by calling (212) 739-1000.

This document is not a solicitation of a proxy from any security holder of Verint or CTI and shall not constitute an offer to sell or a solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933. However, Verint, CTI and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from stockholders in connection with the proposed Merger under the rules of the SEC. Information about the directors and executive officers of Verint may be found in its Annual Report on Form 10-K for the year ended January 31, 2012 and in its definitive proxy statement relating to its 2012 Annual Meeting of Stockholders filed with the SEC on May 14, 2012. Information about the directors and executive officers of CTI may be found in its Annual Report on Form 10-K for the year ended January 31, 2012 and in its Preliminary Proxy Statement on Schedule 14A filed with the SEC on June 7, 2012 and the Preliminary Information Statement attached thereto.

Cautions about Forward-Looking Statements

This document contains forward-looking statements, including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint. These forward-looking statements are not guarantees and they are based on management's expectations that involve a number of risks and uncertainties, any of which could cause actual results or events to differ materially from those expressed in or implied by the forward-looking statements. Some of the factors that could cause actual future results or events to differ materially from current expectations include: uncertainties regarding the expected benefits from the Merger; risks associated with Verint's and CTI's ability to satisfy the conditions and terms of the Merger, and to execute the Merger in the estimated timeframe, if at all; and risks associated with the expected governance of Verint upon completion of the Merger. Verint assumes no obligation to revise or update any forward-looking statement, except as otherwise required by law. For a detailed discussion of certain risk factors relating to Verint, see Verint's Annual Report on Form 10-K for the fiscal year ended January 31, 2012, Verint's

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Verint, CTI or the merged company following the completion of the Merger or otherwise. No statement in this announcement should be interpreted to mean that the earnings per share, profits, margins or cash flows of Verint or the merged company for the current or future financial years would necessarily match or exceed the historical published figures.

Qualification of Representations and Warranties

The foregoing descriptions of the Merger Agreement, Voting Agreement and Governance and Repurchase Rights Agreement have been included to provide investors and security holders with information regarding their respective terms and conditions. They are not intended to provide any other factual information regarding Verint or CTI. Such agreements contain representations and warranties made by Verint or CTI to, and solely for the benefit of, each other. The assertions embodied in the representations and warranties contained in such agreements are in some cases qualified by information in confidential disclosure letters or schedules provided by the parties to each other in connection with the signing of such agreements. While Verint does not believe that these disclosure letters or schedules contain information that the securities laws require the parties to publicly disclose, other than information that has already been so disclosed, they do contain information that modifies, qualifies and creates exceptions to the representations and warranties of the parties set forth in such agreements. You should not rely on the representations and warranties in the Merger Agreement or any of the other agreements as characterizations of the actual state of facts about Verint or CTI, since they were only made as of the date of such agreement and may be modified in important part by the associated disclosure letters or schedules. Moreover, the representations and warranties contained in the Merger Agreement have been negotiated for the principal purpose of establishing the circumstances under which either party may have the right to terminate the Merger Agreement or otherwise not complete the Merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise. The representations and warranties in the Merger Agreement and the other agreements are intended to allocate risk between Verint and CTI rather than establishing matters as facts and may be subject to a contractual standard of materiality different from those generally applicable to investors. Finally, information concerning the subject matter of the representations and warranties may have changed since the date of the applicable agreement, which subsequent information may or may not be fully reflected in the companies' public disclosures.

Item 8.01. Other Events.

On August 13, 2012, Verint issued a press release regarding the matters described under Item 1.01 of this Current Report on Form 8-K, a copy of which press release has been filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated August 12, 2012, by and among Comverse Technology, Inc., Verint Systems Inc. and Victory Acquisition I LLC.*
2.2	Voting Agreement, dated August 12, 2012, among Comverse Technology, Inc., Verint Systems Inc. and Victory Acquisition I LLC.
2.3	Governance and Repurchase Rights Agreement, dated August 12, 2012, by and between Comverse Technology, Inc. and Verint Systems Inc.
99.1	Press Release dated August 13, 2012.

* Certain exhibits and schedules have been omitted, and Verint agrees to furnish supplementally to the SEC a copy of any omitted exhibits or schedules upon request.

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.

VERINT SYSTEMS INC.

Date: August 13, 2012

By: /s/ Peter Fante
Name: Peter Fante
Title: Chief Legal Officer

EXHIBIT INDEX

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99.1	Press Release dated August 13, 2012.

* Certain exhibits and schedules have been omitted, and Verint agrees to furnish supplementally to the SEC a copy of any omitted exhibits or schedules upon request.

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Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

among

VERINT SYSTEMS INC.,

COMVERSE TECHNOLOGY, INC.

and

VICTORY ACQUISITION I LLC

dated as of

August 12, 2012

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EXHIBITS

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Exhibit B: Governance and Repurchase Rights Agreement
Exhibit C: Distribution Agreement
Exhibit D: Employee Matters Agreement
Exhibit E: Tax Disaffiliation Agreement
Exhibit F: Transition Services Agreement
Exhibit G: Releases

CHUCKTAYLOR DISCLOSURE LETTER

VICTORY DISCLOSURE LETTER

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "*Agreement*"), dated as of August 12, 2012, is by and among Comverse Technology, Inc., a New York corporation ("*Chucktaylor*"), Verint Systems Inc., a Delaware corporation ("*Victory*"), and Victory Acquisition I LLC, a Delaware limited liability company and wholly owned Subsidiary of Victory ("*Merger Sub*").

RECITALS

1. The board of directors of Chucktaylor has approved a process to pursue the distribution of 100% of the shares of common stock of Comverse, Inc., a Delaware corporation and wholly owned Subsidiary of Chucktaylor ("*Chuck*"), to the Chucktaylor Shareholders (the "*Distribution*"), it being understood that the board of directors of Chucktaylor may, alternatively, approve and pursue a Chuck Disposition (as defined below);
2. The boards of directors of Chucktaylor, Victory, upon the unanimous recommendation of the special committee of Victory consisting solely of independent directors of Victory (the "*Special Committee*"), and Merger Sub have each approved and declared advisable this Agreement and the Merger, which will be consummated following the Distribution, on the terms and subject to the conditions set forth in this Agreement and in accordance with the DLLCA and the NYBCL;
3. As a condition to enter into this Agreement, Chucktaylor is entering into a voting agreement, a copy of which is attached hereto as *Exhibit A* (the "*Voting Agreement*"), pursuant to which Chucktaylor has irrevocably agreed, subject to the terms and conditions set forth therein, to approve this Agreement and the Transactions, including the Merger;
4. Simultaneously with the execution of this Agreement, Chucktaylor and Victory are entering into a Governance and Repurchase Rights Agreement, a copy of which is attached hereto as *Exhibit B* (the "*Governance and Repurchase Agreement*"), pursuant to which, among other things, upon the occurrence of certain events contemplated by this Agreement, Victory will be entitled to purchase certain shares of Victory Preferred Stock and/or Victory Common Stock, Chucktaylor will have the right to request that Victory purchase certain shares of Victory Preferred Stock and/or Victory Common Stock and Chucktaylor will have certain rights to representation on the board of directors of Victory, subject to the terms and conditions set forth therein;
5. As a condition to the consummation of the Transactions, Chuck, Victory and J.P. Morgan, in its capacity as escrow agent (or such other escrow agent as may be mutually agreed by Victory and Chucktaylor), will prior to the consummation of the Distribution or the Chuck Disposition, enter into an Escrow Agreement (the "*Escrow Agreement*"), on terms and conditions reasonably satisfactory to each of the parties thereto; and
6. The Parties intend that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code and the Treasury Regulations and, by approving the resolutions authorizing this Agreement, to adopt this Agreement as a "*plan of reorganization*" within the meaning of Section 368(a) of the Code and the Treasury Regulations.

Accordingly, each of the Parties hereby agrees as follows:

I. TRANSACTION

1.01 Closing. On the terms and subject to the conditions set forth in this Agreement, the consummation of the Merger (the "*Closing*") will take place at the offices of Jones Day, 222 East 41st Street, New York, New York, at 10:00 a.m., local time on the date that is no earlier than February 1, 2013 after satisfaction or waiver of all of the conditions set forth in *Article V* (other than those conditions that by their nature or pursuant to the terms of this Agreement are to be satisfied at or immediately prior to the Closing, but subject to the satisfaction or, where permitted, the waiver of those conditions) or at such other place, time or date as Victory and Chucktaylor agree in writing; *provided, further, however*, that in the event that, after consulting with the staff of the Commission,

Victory acting in good faith determines to present the consolidated financial statements of Victory in accordance with the Victory Accounting Obligations, the Closing will occur, as promptly as practicable, following the respective filing of the Annual Report on Form 10-K by each of Chuck and Chucktaylor with the Commission for the fiscal year ended January 31, 2013 and the satisfaction or waiver of all of the conditions set forth in *Article V* (other than those conditions that by their nature or pursuant to the terms of this Agreement are to be satisfied at or immediately prior to the Closing, but subject to the satisfaction or, where permitted, the waiver of those conditions). The date on which the Closing occurs is referred to as the "*Closing Date*."

1.02 The Merger. (a) On the terms and subject to the conditions of this Agreement, Chucktaylor will be merged (the "*Merger*") with and into Merger Sub in accordance with the provisions of the DLLCA and the NYBCL. At the Effective Time of the Merger, Merger Sub will be the surviving entity and continue its existence as a limited liability company under the State of Delaware (the "*Surviving Company*") and will continue to be a wholly owned Subsidiary of Victory, and the separate corporate existence of Chucktaylor will cease.

(b) On the terms and subject to the conditions of this Agreement, as soon as practicable on the Closing Date, the Parties will file certificates of merger (together, the "*Certificates of Merger*") with the Secretary of State of the State of Delaware and the Department of State of the State of New York, in such form as required by, and executed in accordance with, the relevant provisions of the DLLCA and the NYBCL. The Merger will become effective at such date and time as is specified in the Certificates of Merger and as is agreed to by Victory and Chucktaylor (such date and time, the "*Effective Time*").

(c) At the Effective Time, the Merger will have the effects set forth in this Agreement and the applicable provisions of the DLLCA and the NYBCL. Without limiting the generality or effect of the foregoing, at the Effective Time, all the property, rights, privileges, immunities, powers and franchises of Chucktaylor and Merger Sub will vest in the Surviving Company and all debts, liabilities and duties of Chucktaylor and Merger Sub will become the debts, liabilities and duties of the Surviving Company.

(d) The certificate of formation of Merger Sub in effect at the Effective Time will be and remain the certificate of formation of the Surviving Company, until thereafter changed or amended as provided in the operating agreement of the Surviving Company or by applicable Law. The operating agreement of Merger Sub, as in effect immediately prior to the Effective Time, will be and remain the operating agreement of the Surviving Company until thereafter changed or amended as provided therein or by applicable Law.

(e) The directors of Merger Sub immediately prior to the Effective Time will be the initial directors of the Surviving Company until their respective successors are duly appointed and qualified in the manner provided by the certificate of formation and operating agreement of the Surviving Company or as otherwise provided by applicable Law. The officers of Merger Sub immediately prior to the Effective Time will be the initial officers of the Surviving Company until their respective successors are duly appointed and qualified in the manner provided by the certificate of formation and operating agreement of the Surviving Company or as otherwise provided by applicable Law.

1.03 Conversion Of Equity Securities In The Merger. At the Effective Time, by virtue of the Merger and without any action on the part of Chucktaylor, Victory, Merger Sub or any of the holders of the following securities:

(a) *Limited Liability Company Interest of Merger Sub.* The 100% limited liability company interests in Merger Sub issued to Victory and outstanding immediately prior to the Effective Time will by virtue of the Merger be unaffected by the Merger and will remain outstanding, and Victory will continue as the sole member of the Surviving Company.

(b) *Cancellation of Treasury Stock and Victory-Owned Stock.* Each share of Chucktaylor Common Stock that is owned by Chucktaylor as treasury stock and any shares of Chucktaylor Common Stock owned by Victory or Merger Sub will be automatically canceled and will cease to exist and no consideration will be delivered in exchange therefor.

(c) *Effect on Victory Common Stock and Victory Preferred Stock.* Each share of Victory Common Stock not owned by Chucktaylor issued and outstanding immediately prior to the Effective Time will remain issued and outstanding after the Effective Time. Each share of Victory Common Stock and Victory Preferred Stock that is owned by Chucktaylor immediately prior to the Effective Time will automatically be canceled and will cease to exist and no consideration will be delivered in exchange therefor. Each share of Victory Preferred Stock that is outstanding immediately prior to the Effective Time and not owned by Chucktaylor will automatically be canceled and will cease to exist and will be converted into Victory Common Stock in accordance with the terms of the Certificate of Designation.

(d) *Conversion of Chucktaylor Common Stock.* Subject to *Section 1.07*, each issued and outstanding share of Chucktaylor Common Stock (other than shares to be canceled in accordance with *Section 1.03(b)*) will be converted into the right to receive that number of fully paid and nonassessable shares of Victory Common Stock equal to the Exchange Ratio. The shares of Victory Common Stock to be issued upon the conversion of shares of Chucktaylor Common Stock pursuant to this *Section 1.03(d)* and cash, without interest, in lieu of fractional shares as contemplated by *Section 1.07* are referred to collectively as "*Merger Consideration*." As of the Effective Time, all such shares of Chucktaylor Common Stock will no longer be outstanding and will automatically be canceled and retired and will cease to exist, and any holder of a certificate or book-entry shares formerly representing any such shares of Chucktaylor Common Stock will cease to have any rights with respect thereto, except the right to receive the Merger Consideration upon surrender of such certificate or book-entry share. The issuance of Victory Common Stock in connection with the Merger is referred to as the "*Victory Stock Issuance*."

1.04 *Exchange Of Certificates.* Prior to the Closing, Victory will appoint American Stock Transfer and Trust Company as exchange agent (the "*Exchange Agent*"). At or prior to the Effective Time, Victory will deposit with the Exchange Agent, for the benefit of the holders of shares of Chucktaylor Common Stock, for exchange in accordance with this *Article I* through the Exchange Agent, evidence in book entry form representing the shares of Victory Common Stock issuable pursuant to this *Article I* in exchange for outstanding shares of Chucktaylor Common Stock (such shares of Victory Common Stock, together with any dividends or distributions with respect thereto, being hereinafter referred to as the "*Exchange Fund*"). The Exchange Agent will, pursuant to irrevocable instructions, deliver the Victory Common Stock to be issued pursuant to this *Article I* out of the Exchange Fund. The Exchange Fund will not be used for any other purpose.

1.05 *Exchange Procedures.* As soon as reasonably practicable after the Effective Time of the Merger, and to the extent not previously distributed in connection with the Distribution, the Exchange Agent will mail to any holder of record of outstanding shares of Chucktaylor Common Stock whose shares were converted into the right to receive the Merger Consideration pursuant to *Section 1.03*, (a) a letter of transmittal and (b) instructions for use in effecting the exchange of any shares of Chucktaylor Common Stock for Merger Consideration. Upon delivery to the Exchange Agent of the letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Chucktaylor Common Stock will be entitled to receive in exchange therefor the Merger Consideration that such holder has the right to receive pursuant to the provisions of this *Article I*. Until exchanged as contemplated by this *Section 1.05*, any Chucktaylor Common Stock will be deemed at any time after the Effective Time to represent only the right to receive upon such exchange the Merger Consideration as contemplated by *Section 1.03*.

1.06 *No Further Ownership Rights In Chucktaylor Common Stock.* The Merger Consideration issued in accordance with the terms of this *Article I* upon conversion of any shares of Chucktaylor Common Stock will be deemed to have been issued in full satisfaction of all rights pertaining to such shares of Chucktaylor Common Stock, and after the Effective Time there will be no further registration of transfers on the stock transfer books of the Surviving Company of shares of Chucktaylor Common

Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any certificates formerly representing shares of Chucktaylor Common Stock are presented to the Surviving Company or the Exchange Agent for any reason, they will be canceled and exchanged as provided in this *Article I*.

1.07 No Fractional Shares. (a) No certificates or scrip representing fractional shares of Victory Common Stock will be issued upon the conversion of Chucktaylor Common Stock pursuant to *Section 1.03*, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a holder of Victory Common Stock. For purposes of this *Section 1.07*, all fractional shares to which a single record holder would be entitled will be aggregated, and calculations will be rounded to three decimal places.

(b) Fractional shares of Victory Common Stock that would otherwise be allocable to any former holders of Chucktaylor Common Stock in the Merger will be aggregated, and no holder of Chucktaylor Common Stock will receive cash equal to or greater than the value of one full share of Victory Common Stock. The Exchange Agent will promptly cause the whole shares obtained thereby to be sold, in the open market or otherwise as directed by Victory, and in no case later than 30 Business Days after the Effective Time. The Exchange Agent will make available the net proceeds thereof, after deducting any required withholding Taxes and brokerage charges, commissions and transfer Taxes, on a *pro rata* basis, without interest, as soon as practicable to the holders of Chucktaylor Common Stock entitled to receive such cash. Payment of cash in lieu of fractional shares of Victory Common Stock will be made solely for the purpose of avoiding the expense and inconvenience to Victory of issuing fractional shares of Victory Common Stock and will not represent separately bargained-for consideration.

1.08 Distributions With Respect To Unexchanged Shares. No dividends or other distributions with respect to Victory Common Stock with a record date after the Effective Time will be paid to the holder of any Chucktaylor Common Stock with respect to the shares of Victory Common Stock issuable upon exchange thereof, and no cash payment in lieu of fractional shares will be paid to any such holder pursuant to *Section 1.07*, until, in each case, the exchange of such Chucktaylor Common Stock in accordance with this *Article I*. Subject to applicable Law, following the exchange of any such Chucktaylor Common Stock, there will be paid to the holder of the certificate representing whole shares of Victory Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional share of Victory Common Stock to which such holder is entitled pursuant to *Section 1.07* and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Victory Common Stock and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such exchange payable with respect to such whole shares of Victory Common Stock.

1.09 Withholding Rights. Victory, the Surviving Company or the Exchange Agent, as the case may be, will be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign Tax Law. Any withheld amounts will be treated for all purposes of this Agreement as having been paid to the Persons otherwise entitled thereto.

1.10 Termination Of Exchange Fund. Any portion of the Exchange Fund that remains undistributed to the holders of the shares of Chucktaylor Common Stock for twelve months after the Effective Time will be delivered to Victory, upon demand, and any holders of the shares of Chucktaylor Common Stock who have not theretofore complied with this *Article I* will thereafter look only to Victory for the Merger Consideration and any dividends or other distributions with respect to Victory

Common Stock to which they are entitled pursuant to this *Article I*. Any portion of the Exchange Fund (and all dividends or other distributions payable pursuant to *Section 1.08*) remaining unclaimed by holders of shares of Chucktaylor Common Stock as of a date which is immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Authority will, to the extent permitted by applicable Law, become the property of Victory free and clear of any claims or interest of any Person previously entitled thereto.

1.11 *Lost Certificates.* If any certificate representing Chucktaylor Common Stock has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, and, if required by Victory, the Surviving Company or the Exchange Agent, the posting by such Person of a bond in such amount as Victory or the Exchange Agent may direct, as indemnity against any claim that may be made against it with respect to such certificate, the Exchange Agent will deliver, in exchange for such lost, stolen or destroyed certificate, the Merger Consideration to be paid in respect of the shares of Chucktaylor Common Stock formerly represented thereby pursuant to this *Article I*.

1.12 *Chucktaylor Stock Options, RSUs and DSUs.* (a) Chucktaylor will cause each option to purchase shares of Chucktaylor Common Stock (a "*Chucktaylor Option*") that is outstanding 20 Business Days prior to the Effective Time to become fully vested and exercisable, and each holder of such Chucktaylor Option will be given an opportunity to exercise such Chucktaylor Option by no later than three Business Days prior to the Effective Time. By virtue of the Merger, each Chucktaylor Option that is outstanding immediately prior to the Effective Time, whether or not then vested and exercisable (including each such Chucktaylor Option that remains outstanding due to the fact that it was not previously exercised as contemplated by the immediately preceding sentence), will become fully vested and exercisable immediately prior to the Effective Time, and then will be canceled immediately prior to the Effective Time, and the holder thereof will, subject to applicable tax withholdings, be entitled to receive from Chucktaylor an amount in cash, if any, equal to the product of (i) the excess, if any, of (A) the Exchange Ratio multiplied by the Average Closing Price, minus (B) the exercise price per share of Chucktaylor Common Stock subject to such Chucktaylor Option, with the aggregate amount of such payment rounded up to the nearest cent, and (ii) the total number of shares of Chucktaylor Common Stock subject to such Chucktaylor Option outstanding immediately prior to the Effective Time (the "*Option Consideration*"). The Option Consideration, less applicable tax withholding, will be paid by Chucktaylor in a lump sum, without interest, immediately prior to the Effective Time.

(b) By virtue of the Merger, each restricted stock unit, deferred stock unit or similar right, in each case representing a right to receive one share of Chucktaylor Common Stock (a "*Chucktaylor Unit*"), including each "performance share award" denominated in Chucktaylor Units, which is outstanding immediately prior to the Effective Time, will become fully vested, and then will be canceled immediately prior to the Effective Time, and the holder thereof will, subject to applicable tax withholdings, be entitled to receive the Merger Consideration (the "*Unit Consideration*") in the same manner as a holder of Chucktaylor Common Stock pursuant to *Section 1.03*. Notwithstanding the foregoing, any Chucktaylor Unit that constitutes, either in whole or in part, a deferral of compensation subject to Section 409A of the Code, will, as of immediately prior to the Effective Time, instead become a vested right to receive the Unit Consideration, payable when such Chucktaylor Unit would otherwise have been settled in accordance with its terms.

(c) By virtue of the Merger, each restricted stock unit, deferred stock unit or similar right, in each case representing a right to receive an amount of cash based upon the value of one share of Chucktaylor Common Stock (a "*Chucktaylor Cash Unit*"), including each "performance share award" denominated in Chucktaylor Cash Units, which is outstanding immediately prior to the Effective Time, will become fully vested immediately prior to the Effective Time, and then will be canceled immediately prior to the Effective Time, and the holder thereof will, subject to applicable tax withholdings, be entitled to receive from Chucktaylor an amount in cash, if any, equal to the product of (i) the

Exchange Ratio multiplied by the Average Closing Price, with the aggregate amount of such payment rounded up to the nearest cent and (ii) the total number of shares of Chucktaylor Common Stock subject to such Chucktaylor Cash Unit outstanding immediately prior to the Effective Time (the "*Cash Unit Consideration*"). The Cash Unit Consideration, less applicable tax withholding, will be paid by Chucktaylor in a lump sum, without interest, immediately prior to the Effective Time. Notwithstanding the foregoing, any Chucktaylor Cash Unit that constitutes, either in whole or in part, a deferral of compensation subject to Section 409A of the Code, will, as of immediately prior to the Effective Time, instead become a vested right to receive the Cash Unit Consideration, payable by Chucktaylor when such Chucktaylor Cash Unit would otherwise have been settled in accordance with its terms.

(d) As soon as practicable following the Distribution or the Chuck Disposition (as applicable), Chucktaylor will deliver to Victory a copy of *Section 1.12(d)* of the Chucktaylor Disclosure Letter, setting forth a list of all (i) Chucktaylor Equity Interests and (ii) Chucktaylor Cash Units, in all cases that remain outstanding immediately following the Distribution, including, with respect to each such Chucktaylor Equity Interest and Chucktaylor Cash Unit, (A) the holder thereof, (B) the date of grant/purchase, (C) the grant/purchase price, and (D) the name of the equity plan pursuant to which the award was granted and to the extent the payment in respect of such award is required to be delayed, the date on which such award is required to be settled.

(e) Chucktaylor will take all actions necessary under applicable Chucktaylor Compensation And Benefit Plans to effectuate the provisions of this *Section 1.12*.

II. REPRESENTATIONS AND WARRANTIES OF CHUCKTAYLOR

Chucktaylor hereby represents and warrants to Victory that, except as (i) set forth in the applicable section (or another section to the extent provided in *Section 7.13*) of the Chucktaylor Disclosure Letter or (ii) other than with respect to *Section 2.04(a)*, to the extent disclosed in, and reasonably apparent from, any report, schedule, form or other document filed with, or furnished to, the Commission by Chucktaylor since July 28, 2011 and publicly available prior to the date of this Agreement (other than any forward-looking disclosures set forth in any risk factor section, any disclosures in any section relating to forward-looking statements and any other similar disclosures included therein to the extent that they are primarily cautionary in nature):

2.01 Due Organization, Good Standing And Corporate Power. (a) Chucktaylor is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, and, except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE, has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Chucktaylor is duly qualified or licensed to do business and is in good standing in the jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be so qualified or licensed or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE.

2.02 Authorization Of Agreement. The execution, delivery and performance of this Agreement and each of the Other Transaction Agreements by Chucktaylor, and the consummation by Chucktaylor of the Transactions, have been duly authorized and approved by the board of directors of Chucktaylor, and, except for the Chucktaylor Shareholder Approval, no other corporate or shareholder action on the part of Chucktaylor is necessary to authorize the execution, delivery and performance of this Agreement and the Other Transaction Agreements or the consummation of the Transactions. This Agreement, the Governance and Repurchase Agreement and the Voting Agreement have been, and each of the Other Transaction Agreements, when executed, will be, duly executed and delivered by Chucktaylor and to the extent that it is a party thereto, each is (or when executed will be) a valid and

binding obligation of Chucktaylor, enforceable against Chucktaylor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles (such exception, the "Enforceability Exception").

2.03 Consents And Approvals; No Violations. Assuming (a) the applicable requirements of the Securities Act and the Exchange Act have been satisfied, (b) the requirements under any applicable state securities or blue sky Laws have been satisfied, (c) the requirements of the NASDAQ in respect of the listing of the shares of Victory Common Stock to be issued hereunder have been satisfied, (d) the filing of the Certificates of Merger and other appropriate merger documents, if any, as required by the DLLCA and the NYBCL, have been made, (e) the requirements of any Takeover Statute have been satisfied, and (f) the Chucktaylor Shareholder Approval is obtained, the execution and delivery of this Agreement and the Other Transaction Agreements by Chucktaylor and the consummation by Chucktaylor of the Transactions do not and will not: (i) violate or conflict with any provision of its certificate of incorporation or by-laws, (ii) violate or conflict with any Law or Order of any Governmental Authority applicable to Chucktaylor by which any of its properties or assets may be bound, (iii) require any Governmental Approval, or (iv) result in a violation or breach of, conflict with, constitute (with or without due notice or lapse of time or both) a default under, or give rise to any right of termination, cancellation or acceleration, or result in the creation of any Security Interest in effect as of the Closing upon any properties or Assets of Chucktaylor or give rise to any obligation, right of termination, cancellation, acceleration or increase of any obligation or a loss of a material benefit under, any of the terms, conditions or provisions of any Chucktaylor Contract, excluding in the case of clause (iv) above, conflicts, violations, breaches, defaults, rights of payment and reimbursement, terminations, modifications, accelerations and creations and impositions of Security Interests that would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE.

2.04 Capital Structure. (a) The authorized capital stock of Chucktaylor consists of 600,000,000 shares of common stock, par value \$0.10 per share (the "*Chucktaylor Common Stock*"), of which 219,229,956 shares of Chucktaylor Common Stock were issued and outstanding as of July 31, 2012. From July 31, 2012 through the execution and delivery of this Agreement, the Company has not issued or repurchased any shares of its capital stock or any securities convertible into or exchangeable or exercisable for any shares of its capital stock, other than pursuant to outstanding options and deferred stock unit awards. All issued and outstanding shares of Chucktaylor Common Stock have been duly authorized and validly issued and are fully paid and nonassessable. As of the execution and delivery of this Agreement, the outstanding options, warrants, rights, subscriptions, claims of any character, agreements, obligations, convertible or exchangeable securities, or other commitments, contingent or otherwise, relating to Chucktaylor Common Stock or any capital stock equivalent (including shares of restricted Chucktaylor Common Stock) or other nominal interest in Chucktaylor which relate to Chucktaylor (collectively, "*Chucktaylor Equity Interests*") pursuant to which Chucktaylor is or may become obligated to issue shares of its capital stock or other equity interests or any securities convertible into, exchangeable for, or evidencing the right to subscribe for, any Chucktaylor Equity Interests are as set forth in *Section 2.04(a)* of the Chucktaylor Disclosure Letter. As of the Effective Time, no Chucktaylor Equity Interests will be outstanding or otherwise exist. There are no outstanding obligations of Chucktaylor to repurchase, redeem or otherwise acquire any outstanding securities of Chucktaylor Equity Interests.

(b) Exhibit 21.1 of Chucktaylor's Annual Report on Form 10-K for the fiscal year ended January 31, 2012 identifies each Chucktaylor Subsidiary as of such date (including its jurisdiction of incorporation or formation). The separate corporate existence of each of Chuck, Gaya Software Industries Ltd., Exalink Ltd., CTI Capital Corp., Comverse Holdings, Inc., and Comverse Australasia Pty. Ltd. has at all times been maintained, and each such entity has observed all requisite corporate formalities in compliance with all applicable Laws such that a claimant of any such entity could not "pierce the corporate veil" and cause Chucktaylor to be held responsible for any Liabilities of any such entity.

(c) Except as set forth in *Section 6.13* of the Tax Disaffiliation Agreement, following the Distribution (or, alternatively, the Chuck Disposition) and as of immediately prior to the Effective Time, Chucktaylor (i) will have no Subsidiaries and (ii) will not, directly or indirectly, own any capital stock or other voting securities or equity interests in any Person, except in each case, for Victory and its Subsidiaries.

(d) Chucktaylor has good and valid title to the shares of Victory Common Stock and Victory Preferred Stock set forth on *Section 2.04(d)* of the Chucktaylor Disclosure Letter, which securities are as of the date hereof, and will be as of the Closing, free and clear of any Security Interests.

(e) Since its incorporation, Comverse Holdings, Inc. has been a holding company that does not actively engage in any business or conduct any operations other than ownership of equity in its Subsidiaries. Comverse Holdings, Inc. does not, has not and will not manufacture, sell, offer for sale or import any product or service.

2.05 Intellectual Property. (a) (i) To the Knowledge of Chucktaylor, the business of Chucktaylor as currently conducted and as conducted in the last seven years by Chucktaylor has not and does not infringe, misappropriate or otherwise violate any Intellectual Property right of any third party, (ii) during the past three years no third party has made any written claim or demand or instituted any Action against Chucktaylor, or to the Knowledge of Chucktaylor, threatened the same, and Chucktaylor has not received any written notice, that (A) challenges the rights of Chucktaylor in respect of any Intellectual Property utilized by Chucktaylor or (B) asserts that Chucktaylor is or was infringing, misappropriating or otherwise violating the Intellectual Property rights of any third party, and (iii) no Intellectual Property utilized by Chucktaylor is subject to any outstanding Order by or with any Governmental Authority.

(b) *Section 2.05(b)* of the Chucktaylor Disclosure Letter sets forth a complete and accurate list of Intellectual Property that is or was owned by Chucktaylor currently or at any time during the last seven years.

(c) *Section 2.05(c)* of the Chucktaylor Disclosure Letter sets forth a complete and accurate list of all Contracts that Chucktaylor is currently a party to or was a party during the last seven years under which Chucktaylor is licensed or otherwise granted rights to any Intellectual Property from a third party or under which Chucktaylor licensed or otherwise granted rights to any Intellectual Property to a third party.

(d) This *Section 2.05* constitutes the sole and exclusive representations and warranties of Chucktaylor with respect to any Intellectual Property.

2.06 Litigation, Compliance With Laws And Other Matters. (a) There are no Actions pending against Chucktaylor or with respect to Chucktaylor or any of its properties, assets or rights or, to the Knowledge of Chucktaylor, any of the officers or directors of Chucktaylor, or to the Knowledge of Chucktaylor, threatened against Chucktaylor, that have had or would reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE. Neither Chucktaylor nor any of its properties, rights or assets is subject to any Order that has had or would reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE. Since June 30, 2009, there have not been, nor are there currently pending, any internal investigations or inquiries being conducted by Chucktaylor, the board of directors of Chucktaylor (or any committee thereof) or, at the request of any of the foregoing, by any third party concerning any actual or alleged financial, accounting, Tax, conflict of interest, illegal activity, fraudulent or deceptive conduct or other misfeasance or malfeasance issues relating to Chucktaylor, except for those that are not or would not reasonably be expected to be, individually or in the aggregate, material to Chucktaylor.

(b) *Section 2.06(b)* of the Chucktaylor Disclosure Letter sets forth a complete and accurate list of all consent decrees to which Chucktaylor is subject and any voluntary agreements with any

Governmental Authority resulting from any Action by any Governmental Authority that impose any continuing duties on Chucktaylor, including any additional reporting or monitoring requirements (collectively, the "*Consent Decrees and Voluntary Agreements*"). Chucktaylor has performed all obligations required to be performed by it to date under the Consent Decrees and Voluntary Agreements and is not (with or without the lapse of time or the giving of notice, or both) in breach or default thereunder. Chucktaylor has made available to Victory a true and correct copy of each Consent Decree and Voluntary Agreement.

(c) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE, (i) Chucktaylor is conducting its business in compliance with all applicable Laws and (ii) immediately prior to the Effective Time, Chucktaylor will hold, to the extent legally required, all Permits that are required for the operation of its business as conducted as of immediately prior to the Effective Time, and there shall not have occurred any default under any such Permit. None of such Permits will lapse, terminate, expire or otherwise be impaired as a result of the consummation of the Transactions, except as would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE, Chucktaylor has not received any written notice from any Person alleging non-compliance with any such Permit.

(d) None of Chucktaylor or, to the Knowledge of Chucktaylor, any current director, officer, agent or employee acting on behalf of Chucktaylor or, since March 10, 2011, any former director or officer acting on behalf of Chucktaylor has used any funds to make, directly or indirectly, any unlawful contribution, gift, bribe, payoff, kickback or other unlawful payment to any United States or foreign government official or employee in violation of the United States Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010 or any other applicable Law. None of Chucktaylor, or to the Knowledge of Chucktaylor, any other Person acting on behalf of Chucktaylor has, directly or indirectly, given or agreed to give any corrupt payment, gift or similar benefit to any customer, supplier or any employee of any Governmental Authority or other Person who is or may be in a position to help or hinder Chucktaylor or assist Chucktaylor in connection with any actual or proposed transaction relating to its business.

(e) Since its incorporation, Chucktaylor has been and prior to the Effective Time will be, a holding company that does not actively engage in any business activities or conduct any business operations other than ownership of equity interests in Victory and its Subsidiaries and the Chucktaylor Subsidiaries from time to time. Chucktaylor does not, has not and prior to the Effective Time will not, manufacture, sell, offer for sale or import any product or service.

(f) Chucktaylor is in possession of all books and records (or copies thereof) of Chucktaylor and each of its Subsidiaries as Chucktaylor is required by Law, Contract or other legally binding obligation to possess or maintain.

2.07 Chucktaylor Contracts.

(a) *Section 2.07(a)* of the Chucktaylor Disclosure Letter sets forth a complete and accurate list, as of the date of this Agreement, of each Chucktaylor Contract. The term "*Chucktaylor Contract*" means any Contract to which Chucktaylor is or will be a party or by which Chucktaylor or any of its properties or Assets may be bound, other than (i) any Contract that will be terminated or transferred or assigned to Chuck or its Subsidiaries prior to the Effective Time, (ii) any ordinary course Contract that contains standard confidentiality provisions to which Chucktaylor is or will be a party or by which Chucktaylor or any of its properties or assets may be bound, or (iii) any Contracts to which Chucktaylor is or will be a party or by which Chucktaylor or any of its properties or Assets may be bound and under which the obligations of the Surviving Company after the Effective Time will not, in the aggregate, exceed \$500,000.

(b) Each Chucktaylor Contract is in full force and effect and is enforceable by Chucktaylor in accordance with its terms, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE, Chucktaylor has performed all obligations required to be performed by it to date under the Chucktaylor Contracts and is not (with or without the lapse of time or the giving of notice, or both) in breach or default thereunder. Chucktaylor has made available to Victory a true and correct copy of each Chucktaylor Contract not otherwise filed by Chucktaylor with the Commission.

(c) No Chucktaylor Contract includes any obligation to indemnify any other Person, guarantee the payment or performance obligation of any Person or to make any loan, advance, capital contribution to, or investment in any other Person.

2.08 Employees and Employee Benefits. (a) For purposes of this Agreement, the term "*Chucktaylor Compensation And Benefit Plans*" means (i) all bonus, vacation, deferred compensation, pension, retirement, profit-sharing, thrift, savings, overtime, employee stock ownership, stock bonus, stock purchase, restricted stock, stock option, equity-based, incentive, retention, severance or change-in-control plans or other similar plans, policies, arrangements or agreements, (ii) all employment agreements, (iii) all medical, dental, disability, health and life insurance plans, sickness benefit plans, and (iv) all other employee benefit and fringe benefit plans, policies, arrangements or agreements, in the case of each of (i) through (iv), either (A) maintained or contributed to by Chucktaylor for the benefit of any of their current or former employees or consultants or any of their beneficiaries or (B) pursuant to which Chucktaylor may have any Liability.

(b) Since June 30, 2010, (i) there has not been any labor strike, work stoppage or lockout with respect to the business of Chucktaylor, (ii) Chucktaylor has not received written notice of any unfair labor practice charges against Chucktaylor that are pending before the National Labor Relations Board or any similar state, local or foreign Governmental Authority, and (iii) Chucktaylor has not received written notice of any Action in connection with the business of Chucktaylor that is pending before the Equal Employment Opportunity Commission or any similar state, local or foreign Governmental Authority responsible for the prevention of unlawful employment practices, including under applicable employment standards and human rights Laws, except, in the case of each of clauses (i), (ii) and (iii) above, for any such matters that have not had and would not reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE (in the case of Chucktaylor).

(c) None of Chucktaylor or any of its ERISA Affiliates, or any of their respective predecessors, contributes to, has ever contributed to, has ever been required to contribute to, or otherwise participates in or participated in, or in any way, directly or indirectly, has any Liability with respect to (i) any multiemployer plan as defined in Section 3(37) or Section 4001(a)(3) of ERISA or Section 414(f) of the Code, (ii) any multiple employer plan within the meaning of Section 4063 or Section 4064 of ERISA or Section 413(c) of the Code, or (iii) any employee benefit plan, fund, program, contract or arrangement that is subject to Section 412 of the Code or Section 302 or Title IV of ERISA.

(d) Neither the execution or delivery of this Agreement nor the consummation of the Transactions would, either alone or in conjunction with any other event (whether contingent or otherwise), (i) result in any payment or benefit becoming due or payable, or required to be provided, to any current or former director, employee or independent contractor of Chucktaylor, (ii) increase the amount or value of any benefit or compensation otherwise payable or required to be provided to any such current or former director, employee or independent contractor, or result in the acceleration of the time of payment, vesting or funding of any such benefit or compensation, or (iii) result in any amount failing to be deductible by reason of Section 280G of the Code.

2.09 Chucktaylor SEC Filings; Financial Statements; Absence Of Changes. (a) Since July 28, 2011, Chucktaylor has timely filed, and will after the date of this Agreement timely file, all registration statements, prospectuses, forms, reports, proxy statements and documents and related exhibits required to be filed by it under the Securities Act or the Exchange Act, as the case may be (collectively, including all documents filed on a voluntary basis on Form 8-K, Commission filings filed after the date of this Agreement and prior to the Closing and, in each case, including all exhibits and schedules thereto and documents incorporated by reference therein, the "*Chucktaylor SEC Filings*"). The Chucktaylor SEC Filings (i) were prepared or will, after the date of this Agreement, be prepared in all material respects in accordance with the requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002 ("*SOX*"), as the case may be and (ii) did not at the time they were filed and will not, when filed after the date of this Agreement or when mailed to Chucktaylor Shareholders in the case of any proxy statement, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. As of the date hereof, other than with respect to the Distribution Proxy Statement, there are no outstanding or unresolved comments in such comment letters received from the Commission and, to the Knowledge of Chucktaylor, none of the Chucktaylor SEC Filings is subject to ongoing review by the Commission.

(b) Each of the consolidated financial statements included in the Chucktaylor SEC Filings, including the notes and schedules thereto (the "*Chucktaylor Financial Statements*"), (i) has been prepared from, and is in accordance with, the books and records of Chucktaylor and the Chucktaylor Subsidiaries, (ii) complies in all material respects with the applicable accounting requirements and with the published rules and regulations of the Commission with respect to such requirements in effect at the time of such filing, (iii) has been prepared in accordance with GAAP, applied on a consistent basis during the periods involved (except as may be indicated in the Chucktaylor Financial Statements or in the notes to the Chucktaylor Financial Statements and subject, in the case of unaudited statements, to normal recurring year-end audit adjustments and the absence of footnote disclosure, none of which adjustments are expected to be material in nature), and (iv) fairly presents, in all material respects, the consolidated financial position and the consolidated results of operations and cash flows (and changes in financial position, if any) of Chucktaylor and the Chucktaylor Subsidiaries as of the date and for the periods referred to in the Chucktaylor Financial Statements.

(c) The disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as required by Rules 13a-15(a) and 15d-15(a) of the Exchange Act, of Chucktaylor are designed to ensure that all information required to be disclosed by Chucktaylor in the reports it files or submits under the Exchange Act is made known to the chief executive officer and the chief financial officer of Chucktaylor by others within Chucktaylor and the Chucktaylor Subsidiaries to allow timely decisions regarding required disclosure as required under the Exchange Act and is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms. Chucktaylor has evaluated the effectiveness of Chucktaylor's disclosure controls and procedures and, to the extent required by applicable Law, presented in any applicable Chucktaylor SEC Filings that is a report on Form 10-K or Form 10-Q, or any amendment thereto, its conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by such report or amendment based on such evaluation. Except as described in the Chucktaylor SEC Filings, (i) to the Knowledge of Chucktaylor, Chucktaylor does not have any significant deficiencies or material weaknesses in the design or operation of its internal control over financial reporting that would reasonably be expected to adversely affect Chucktaylor's ability to record, process, summarize and report financial information and (ii) Chucktaylor does not have Knowledge of any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of Chucktaylor.

(d) Since December 31, 2010 and except as described in the Chucktaylor SEC Filings, (i) Chucktaylor has not received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Chucktaylor or its internal accounting controls, including any material complaint, allegation, assertion or claim that Chucktaylor has engaged in questionable accounting or auditing practices and (ii), to the Knowledge of Chucktaylor, no attorney representing Chucktaylor, whether or not employed by Chucktaylor, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by Chucktaylor or its officers, directors, employees or agents to the board of directors of Chucktaylor or any committee thereof.

(e) Since April 30, 2012, there has not occurred any event, occurrence or condition which has had or would reasonably be expected to have, individually or in the aggregate, a Chucktaylor MAE.

(f) Chucktaylor has no Liabilities, except (i) as set forth on Section 2.09(f) of the Chucktaylor Disclosure Letter or incurred in the ordinary course of business since April 30, 2012, which, in each case, are Liabilities that will be fully assumed and retained by Chuck pursuant to the Distribution Agreements or will constitute Retained Liabilities that are identified in the Closing Date Positive Net Worth Statement and (ii) Liabilities that are not Known to Chucktaylor as of the Closing Date.

(g) At the Closing Date, Chucktaylor will have a Closing Date Positive Net Worth.

2.10 Taxes. (a) Chucktaylor and any consolidated, combined, unitary or aggregate group for Tax purposes of which Chucktaylor is or has been a member has timely filed all material Tax Returns required to be filed by each of them; all such Tax Returns are true and correct in all material respects, and Chucktaylor has timely paid or withheld and timely paid to the appropriate Tax Authority all material Taxes due (whether or not shown to be due on such Tax Returns).

(b) There is (i) no claim for Taxes being asserted or that has been previously asserted against Chucktaylor that has resulted in a lien against the property of Chucktaylor other than the Permitted Encumbrances listed on *Section 2.10(b)* of the Chucktaylor Disclosure Letter, (ii) no audit of any material Tax Return of Chucktaylor being conducted or, to the Knowledge of Chucktaylor, threatened by a Tax Authority, other than those audits listed on *Section 2.10(b)* of the Chucktaylor Disclosure Letter, and (iii) no waiver or extension of any statute of limitations with respect to the assessment or deficiency of any material Taxes granted by Chucktaylor currently in effect other than those waivers or extensions listed on *Section 2.10(b)* of the Chucktaylor Disclosure Letter.

(c) No written claim or nexus inquiry has been made by a Tax Authority in a jurisdiction where Chucktaylor does not file Tax Returns that Chucktaylor is or may be subject to taxation by that jurisdiction.

(d) Chucktaylor has (i) never been a member of a consolidated, combined, unitary or aggregate group of which Chucktaylor was not the ultimate parent company, (ii) not been the "distributing corporation" or the "controlled corporation" (in each case, within the meaning of Section 355(a)(1) of the Code) with respect to a distribution (not taking into account the Distribution) described in or intended to be governed by Section 355 of the Code (A) within the two-year period ending as of the date of this Agreement, or (B) that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) that includes the Transactions, or (iii) no Liability under Treasury Regulations Section 1.1502-6 (or any comparable or similar provision of state, local or foreign Law) for any Taxes of any Person other than Chucktaylor or any Chucktaylor Subsidiary (including Chuck and its Subsidiaries).

(e) Chucktaylor is not a party to or bound by any Tax sharing or Tax allocation agreement, nor does Chucktaylor have any Liability to another party under any such agreement, other than any such agreements that are pursuant to customary commercial contracts not primarily related to Taxes and such agreements between Chucktaylor and Chuck or Chucktaylor and Victory.

(f) Chucktaylor will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing Date as a result of any: (i) installment sale or other open transaction disposition made on or prior to the Closing Date, (ii) prepaid amount received on or prior to the Closing Date, (iii) a closing agreement described in Section 7121 of the Code or any comparable or similar provision of state, local or foreign Law executed on or prior to the Closing Date, (iv) any change in method of accounting for a taxable period or portion thereof ending on or before the Closing Date, or (v) indebtedness discharged in connection with any election under Section 108(i) of the Code.

(g) There are no Security Interests for Taxes upon the assets of Chucktaylor other than Permitted Encumbrances.

(h) Neither Chucktaylor nor any Person that was a Subsidiary of Chucktaylor at any time before the Distribution has engaged in a "listed transaction" as defined in Section 6707A(c)(2) of the Code or Treasury Regulations Section 1.6011-4(b). For purposes of this representation, the term "Subsidiary of Chucktaylor" shall not include Victory and its Subsidiaries.

(i) Chucktaylor has not obtained any material consents or clearances from or entered into any material settlement or arrangement with any Tax Authority that would be binding on Victory or the Surviving Company for any taxable period (or portion thereof) beginning after the Closing Date.

(j) Chucktaylor is not a party to any advance pricing agreement or any similar Contract or agreement.

(k) No power of attorney is currently in force with respect to any Tax matter that would, in any manner, bind, obligate or restrict Victory or the Surviving Company.

(l) Chucktaylor has never participated in an international boycott within the meaning of Section 999 of the Code.

(m) Chucktaylor is not subject to any gain recognition agreement under Section 367 of the Code.

(n) Except as listed on *Section 2.10(n)* of the Chucktaylor Disclosure Letter, Chucktaylor has no outstanding ruling request, request to consent to change a method of accounting, subpoena or request for information with or by any Tax Authority.

(o) Chucktaylor will not be required to take into account any item in taxable income on the last day of its taxable year in which the Distribution occurs as a result of any intercompany transaction or excess loss account described in Treasury Regulations Section 1.1502 (or any comparable or similar provision of state, local or foreign Law).

2.11 Broker's Or Finder's Fee. Chucktaylor has no liability or obligation to pay any fees or commissions to any broker, finder or other agent with respect to the Transactions.

2.12 Retained Assets. (a) Chucktaylor has good and valid title to all the Retained Assets, and such Retained Assets are not as of the date hereof, and will not be as of the Closing Date, subject to any Security Interests.

(b) Chucktaylor does not own any real property or any interest therein and is not a party to any Contract or option to purchase any real property or interest therein. *Section 2.12(b)* of the Chucktaylor Disclosure Letter contains a true and complete list of all real property leased or subleased by Chucktaylor as of the date of this Agreement. As of the date of this Agreement, Chucktaylor has a valid leasehold interest in all leased or subleased real property.

2.13 Information To Be Supplied. The information supplied or to be supplied by Chucktaylor for inclusion in the Victory Filings to be filed with the Commission will not, on the date of filing or, in the case of the Victory Form S-4, at the time it becomes effective under the Securities Act, or on the date

of the Victory Proxy Statement is mailed to Victory Stockholders and at the time of the Victory Stockholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

2.14 Voting Requirements; Approval; Board Approval. (a) The only vote of any class or series of Chucktaylor's capital stock necessary to approve this Agreement, the Other Transaction Agreements and the Transactions is the affirmative vote of the holders of two-thirds of the outstanding Chucktaylor Common Stock (the "*Chucktaylor Shareholder Approval*").

(b) The board of directors of Chucktaylor has, at a meeting duly called and held, by vote, (i) approved and adopted this Agreement, the Other Transaction Agreements and the Transactions and (ii) resolved to recommend that the Chucktaylor Shareholders approve the Merger.

2.15 Environmental Matters. Chucktaylor (a) has not received any pending Environmental Claim or written notice of any threatened Environmental Claim, (b) has not entered into or is subject to any outstanding Order under any Environmental Law, or (c) has not Released any Hazardous Materials at any real property owned or leased by Chucktaylor in a manner that requires remediation under any Environmental Laws, in each case as would not reasonably be expected to result in a Chucktaylor MAE.

2.16 Affiliate Transactions. There have been no transactions, agreements, arrangements or understandings between Chucktaylor or the Chucktaylor Subsidiaries, on the one hand, and any Affiliates of Chucktaylor on the other hand (other than any Chucktaylor Subsidiary), that would be required to be disclosed under Item 404 under Regulation S-K under the Securities Act and that have not been so disclosed in the Chucktaylor SEC Documents. All such transactions, agreements, arrangements and understandings have been negotiated on an arms-length basis and contain terms and conditions that are commercially reasonable and consistent with market terms for such transactions that are no less favorable in the aggregate than Chucktaylor could have obtained from an unaffiliated third party.

2.17 Insurance. Section 2.17 of the Chucktaylor Disclosure Letter sets forth a complete and accurate list, as of the date of this Agreement and immediately prior to the Effective Time, of all insurance policies, contracts, or programs of self-insurance which will cover Chucktaylor, are owned by Chucktaylor or which names Chucktaylor as an insured (or loss payee), including those which pertain to Chucktaylor's assets, employees or operations. Chucktaylor has made available to Victory copies of all such insurance policies and contracts. All such insurance policies, contracts, or programs of self-insurance are in full force and effect. All premiums due thereunder have been paid. Chucktaylor has not received notice of cancellation of any such insurance policies, contracts and programs of self-insurance.

2.18 Opinion of Financial Advisors. Chucktaylor has received the opinion of each of Goldman, Sachs & Co. and Rothschild Inc., dated as of the date of this Agreement, to the effect that, as of such date and based upon and subject to the factors and assumptions set forth therein, the Exchange Ratio pursuant to this Agreement is fair, from a financial point of view, to the holders (other than Victory and its Affiliates) of shares of Chucktaylor Common Stock, signed copies of which have been or will be provided to Victory for informational purposes only.

2.19 State Takeover And Dissent Statutes. None of the NYBCL or Chucktaylor's certificate of incorporation or by-laws prohibit Chucktaylor from entering into this Agreement or effectuating the Transactions. No Chucktaylor Shareholder is entitled to dissent to, or seek or perfect appraisal rights with respect to, the Merger pursuant to the NYBCL or other applicable Law.

2.20 Distribution; Chuck Disposition.

(a) The execution, delivery and performance of each of the Distribution Agreements and the Escrow Agreement by Chucktaylor and Chuck, as applicable, and the consummation by Chucktaylor and Chuck of the Distribution in accordance with the terms thereof have been duly authorized and approved by the boards of directors of Chucktaylor and Chuck, and, except for the Distribution Shareholder Approval, no other corporate or stockholder action on the part of Chucktaylor or Chuck is necessary to authorize the execution, delivery and performance of the Distribution Agreements or the consummation of the Distribution. Each of the Distribution Agreements and the Escrow Agreement has been duly executed and delivered by Chucktaylor and Chuck, and to the extent that it is a party thereto, is a valid and binding obligation of Chucktaylor and Chuck, enforceable against each of Chucktaylor and Chuck in accordance with its terms, subject to the Enforceability Exception. The only vote of any class or series of Chucktaylor's capital stock necessary to approve the Distribution is the affirmative vote of the holders of two-thirds of the outstanding Chucktaylor Common Stock (the "*Distribution Shareholder Approval*"). Chucktaylor has made available to Victory copies of all the Distribution Agreements.

(b) If Chucktaylor proceeds with a Chuck Disposition rather than the Distribution, the execution, delivery and performance of each of the Chuck Disposition Agreements by Chucktaylor and/or Chuck, as applicable, and the consummation by Chucktaylor and/or Chuck, as applicable, of the Chuck Disposition in accordance with the terms thereof, will be duly authorized and approved by the boards of directors of Chucktaylor and/or Chuck, as applicable, and, except for the Chuck Disposition Shareholder Approval, no other corporate or stockholder action on the part of Chucktaylor and/or Chuck, as applicable, will be necessary to authorize the execution, delivery and performance of the Chuck Disposition Agreements or the consummation of the Chuck Disposition. Each of the Chuck Disposition Agreements will be duly executed and delivered by Chucktaylor and/or Chuck, as applicable, and to the extent that it is a party thereto, will be a valid and binding obligation of Chucktaylor and/or Chuck, as applicable, enforceable against Chucktaylor and/or Chuck, as applicable, in accordance with its terms, subject to the Enforceability Exception. The only vote of any class or series of Chucktaylor's capital stock necessary to approve the Chuck Disposition is the affirmative vote of the holders of two-thirds of the outstanding Chucktaylor Common Stock or such lesser amount as required by applicable Law (the "*Chuck Disposition Shareholder Approval*"). Chucktaylor will promptly deliver to Victory copies of each Chuck Disposition Agreement following its execution by each party thereto.

(c) All securities issued or distributed in connection with the Distribution will be issued or distributed in compliance with the Securities Act, and any applicable state securities Laws, and, other than the Chuck Form 10, no registration or qualification of such securities is required under federal or state securities Laws.

(d) Except for the Distribution Agreements or, as of the Effective Date, the Chuck Disposition Agreements or as otherwise contemplated by or in furtherance of the Distribution Agreements or the Chuck Disposition Agreements (which Contracts as contemplated by or in furtherance of the Distribution Agreements or the Chuck Disposition Agreements will not amend or modify the rights of Chucktaylor contemplated under the Distribution Agreements or the Chuck Disposition Agreements, as applicable, in any manner that is adverse to Chucktaylor or Victory in any material respect), there are or will be no Contracts or other agreements between or among any or all of Chucktaylor, Chuck or any of their respective Subsidiaries, any shareholder of Chucktaylor, any shareholder of Chuck, or any of their respective Affiliates, in each case, relating to the Distribution or the Chuck Disposition.

(e) Chuck is Solvent as of the date of this Agreement, and each of Chucktaylor and Chuck will be Solvent immediately prior to and after giving effect to the Distribution. From the time following the

Distribution to immediately prior to the Effective Time, Chucktaylor will have adequate liquidity to pay its debts and obligations as they come due.

(f) The opinions to be delivered pursuant to *Section 5.03(e)* hereof are the only opinions as to Solvency or capital adequacy to be received by the board of directors of Chucktaylor in connection with the Distribution, the Chuck Disposition or the Merger.

2.21 No Other Representations Or Warranties. Except for the representations and warranties of Chucktaylor expressly set forth in this Agreement and the Other Transaction Agreements, neither Chucktaylor nor any other Person makes any other express or implied representation or warranty on behalf of Chucktaylor or any Chucktaylor Subsidiary with respect to Chucktaylor, the Chucktaylor Subsidiaries or the Transactions. The representations and warranties made in this Agreement and the Other Transaction Agreements with respect to Chucktaylor and the Transactions are in lieu of all other representations and warranties Chucktaylor might have given Victory.

III. REPRESENTATIONS AND WARRANTIES OF VICTORY

Victory hereby represents and warrants to Chucktaylor that, except as (i) set forth in the applicable section (or another section to the extent provided in *Section 7.13*) of the Victory Disclosure Letter or (ii) to the extent disclosed in, and reasonably apparent from, any report, schedule, form or other document filed with, or furnished to, the Commission by Victory since June 18, 2010 and publicly available prior to the date of this Agreement (other than any forward-looking disclosures set forth in any risk factor section, any disclosures in any section relating to forward-looking statements and any other similar disclosures included therein to the extent that they are primarily cautionary in nature):

3.01 Due Organization, Good Standing And Corporate Power. (a) Each of Victory and its Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, and, except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Victory MAE, has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Each of Victory and its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be so qualified or licensed or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a Victory MAE.

3.02 Authorization Of Agreement. The execution, delivery and performance of this Agreement and the Other Transaction Agreements by each of Victory and Merger Sub, as applicable, and the consummation by Victory and Merger Sub of the Transactions, have been duly authorized and approved by their respective boards of directors or managers, as applicable (and this Agreement has been approved by Victory as the sole member of Merger Sub) and, except for the Victory Stockholder Approval, no other corporate or stockholder action on the part of Victory or Merger Sub is necessary to authorize the execution, delivery and performance of this Agreement and the Other Transaction Agreements or the consummation of the Transactions. This Agreement and the Governance and Repurchase Agreement have been, and the Other Transaction Agreements, when executed, will be, duly executed and delivered by each of Victory and Merger Sub, as applicable, and, to the extent that it is a party thereto, each is (or when executed will be) a valid and binding obligation of each of Victory and Merger Sub enforceable against each of Victory and Merger Sub, as applicable, in accordance with its terms, subject to the Enforceability Exception.

3.03 Consents And Approvals; No Violations. Assuming (a) the applicable requirements of the Securities Act and the Exchange Act have been satisfied, (b) the requirements under any applicable state securities or blue sky Laws have been satisfied, (c) the requirements of the NASDAQ in respect of the listing of the shares of Victory Common Stock to be issued hereunder have been satisfied, (d) the filing of the Certificates of Merger and other appropriate merger documents, if any, as required by the DLLCA and the NYBCL, have been made, (e) the requirements of any Takeover Statute have been satisfied, (f) the Victory Stockholder Approval is obtained, and (g) the Consents set forth on *Section 3.03* of the Victory Disclosure Letter have been obtained, the execution and delivery of this Agreement and the Other Transaction Agreements by Victory and Merger Sub, as applicable, and the consummation by Victory and Merger Sub of the Transactions do not and will not (i) violate or conflict with any provision of their respective certificates of incorporation or by-laws (or the comparable governing documents), (ii) violate or conflict with any Law or Order of any Governmental Authority applicable to Victory or Merger Sub or by which any of their respective properties or Assets may be bound, (iii) require any Governmental Approval, or (iv) result in a violation or breach of, conflict with, constitute (with or without due notice or lapse of time or both) a default under, or give rise to any right of termination, cancellation or acceleration, or result in the creation of any Security Interest upon any of the properties or assets of Victory or its Subsidiaries or give rise to any obligation, right of termination, cancellation, acceleration or increase of any obligation or a loss of a material benefit under, any of the terms, conditions or provisions of any Victory Material Contract, excluding in the case of clauses (ii) through (iv) above, conflicts, violations, breaches, defaults, rights of payment and reimbursement, terminations, modifications, accelerations and creations and impositions of Security Interests which would not reasonably be expected to have, individually or in the aggregate, a Victory MAE.

3.04 Capitalization. The authorized capital stock of Victory consists of 120,000,000 shares of common stock, par value \$0.001 per share (the "*Victory Common Stock*"), and 2,500,000 shares of preferred stock, par value \$0.001 per share, of which 293,000 shares have been designated as "Series A Convertible Preferred Stock" (hereinafter referred to as the "*Victory Preferred Stock*"). As of the close of business on July 31, 2012 (the "*Measurement Date*"), there were 39,772,218 shares of Victory Common Stock issued and outstanding (including shares of restricted Victory Common Stock), and 3,336,111 shares were reserved for issuance of Victory Common Stock upon (i) the exercise of outstanding options (the "*Victory Options*") or (ii) the settlement of restricted stock units, deferred units or like accounts (collectively, "*Equity-Based Awards*"). All issued and outstanding shares of Victory Common Stock have been duly authorized and validly issued and are fully paid and nonassessable. As of the date of this Agreement, and except for shares of Victory Common Stock issuable as of the Measurement Date pursuant to the Victory Options or Equity-Based Awards and the Victory Preferred Stock, there are no outstanding options, warrants, rights, subscriptions, claims of any character, agreements, obligations, convertible or exchangeable securities, or other commitments, contingent or otherwise, relating to Victory Common Stock or any capital stock equivalent (including shares of restricted Victory Common Stock) or other nominal interest in Victory or any of its Subsidiaries which relate to Victory (collectively, "*Victory Equity Interests*") pursuant to which Victory or any of its Subsidiaries is or may become obligated to issue shares of its capital stock or other equity interests or any securities convertible into, exchangeable for, or evidencing the right to subscribe for, any Victory Equity Interests. There are no outstanding obligations of Victory to repurchase, redeem or otherwise acquire any outstanding securities of Victory Equity Interests.

3.05 Ownership Of Merger Sub; No Prior Activities; Solvency. (a) Merger Sub was formed solely for the purpose of engaging in the Transactions. Since the date of its formation, Merger Sub has not and will not, prior to the Effective Time, engage in any business activities or conduct any operations other than in connection with the Transactions. All of the issued and outstanding limited liability company interests of Merger Sub are, and as of immediately prior to the Effective Time will be, directly owned by Victory. Since the date of its formation, no election pursuant to Treasury Regulations

Section 301.7701-3(c) has been made by or on behalf of Merger Sub to change its entity classification from its default entity classification under Treasury Regulations Section 301.7701-3(b)(1)(ii).

(b) Each of Victory and Merger Sub is Solvent as of the date of this Agreement.

3.06 *Litigation And Compliance With Laws.*

(a) As of the date of this Agreement, there are no Actions pending against Victory or any of its Subsidiaries or, to the Knowledge of Victory, threatened against Victory or any of its Subsidiaries (or any of their respective properties or rights), at Law or in equity, or before or by any Governmental Authority or any arbitrator or arbitration tribunal, that would prohibit Victory or Merger Sub from entering into, executing and complying with their obligations under this Agreement or the Other Transaction Agreements or from consummating the Transactions.

(b) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Victory MAE, (i) Victory is conducting its business in compliance with all applicable Laws and (ii) immediately prior to the Effective Time, Victory will hold, to the extent legally required, all Permits that are required for the operation of its business as conducted as of immediately prior to the Effective Time, and there shall not have occurred any default under any such Permit. None of such Permits will lapse, terminate, expire or otherwise be impaired as a result of the consummation of the Transactions, except as would not reasonably be expected to have, individually or in the aggregate, a Victory MAE. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Victory MAE, Victory has not received any written notice from any Person alleging non-compliance with any such Permit.

(c) None of Victory or, to the Knowledge of Victory, any current director, officer, agent or employee acting on behalf of Victory, has used any funds to make, directly or indirectly, any unlawful contribution, gift, bribe, payoff, kickback or other unlawful payment to any United States or foreign government official or employee in violation of the United States Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010 or any other applicable Law.

3.07 *Victory SEC Filings; Financial Statements.* (a) Since June 18, 2010, Victory has timely filed, and will after the date of this Agreement timely file, all registration statements, prospectuses, forms, reports, proxy statements and documents and related exhibits required to be filed by it under the Securities Act or the Exchange Act, as the case may be (collectively, including all documents filed on a voluntary basis on Form 8-K, Commission filings filed after the date of this Agreement and prior to the Closing and, in each case, including all exhibits and schedules thereto and documents incorporated by reference therein, the "*Victory SEC Filings*"). The Victory SEC Filings (i) were prepared or will, after the date of this Agreement, be prepared in all material respects in accordance with the requirements of the Securities Act, the Exchange Act and SOX, as the case may be and (ii) did not at the time they were filed and will not, when filed after the date of this Agreement or when mailed to Victory Stockholders in the case of any proxy statement, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(b) Each of the consolidated financial statements included in the Victory SEC Filings, including the notes and schedules thereto (the "*Victory Financial Statements*"), (i) has been prepared from, and is in accordance with, the books and records of Victory and its Subsidiaries, (ii) complies in all material respects with the applicable accounting requirements and with the published rules and regulations of the Commission with respect to such requirements in effect at the time of such filing, (iii) has been prepared in accordance with GAAP, applied on a consistent basis during the periods involved (except as may be indicated in the Victory Financial Statements or in the notes to the Victory Financial Statements and subject, in the case of unaudited statements, to normal recurring year-end audit adjustments and the absence of footnote disclosure, none of which adjustments are expected to be

material in nature), and (iv) fairly presents, in all material respects, the consolidated financial position and the consolidated results of operations and cash flows (and changes in financial position, if any) of Victory and its Subsidiaries as of the date and for the periods referred to in the Victory Financial Statements.

(c) The disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as required by Rules 13a-15(a) and 15d-15(a) of the Exchange Act, of Victory are designed to ensure that all information required to be disclosed by Victory in the reports it files or submits under the Exchange Act is made known to the chief executive officer and the chief financial officer of Victory by others within Victory and its Subsidiaries to allow timely decisions regarding required disclosure as required under the Exchange Act and is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms. Victory has evaluated the effectiveness of Victory's disclosure controls and procedures and, to the extent required by applicable Law, presented in any applicable Victory SEC Filings that is a report on Form 10-K or Form 10-Q, or any amendment thereto, its conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by such report or amendment based on such evaluation.

(d) Since January 31, 2011 and except as described in the Victory SEC Filings, Victory has not received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Victory or its internal accounting controls, including any material complaint, allegation, assertion or claim that Victory has engaged in questionable accounting or auditing practices.

(e) Since April 30, 2012, there has not occurred any event, occurrence or condition which has had or would reasonably be expected to have, individually or in the aggregate, a Victory MAE.

3.08 Broker's Or Finder's Fee. Victory has no liability or obligation to pay any fees or commissions to any broker, finder or other agent with respect to the Transactions.

3.09 State Takeover And Dissent Statutes. None of the Delaware General Corporation Law or Victory's certificate of incorporation or by-laws prohibit Victory from entering into this Agreement or effectuating the Transactions. No Victory Stockholder is entitled to dissent to, or seek or perfect appraisal rights with respect to, the Merger pursuant to the Delaware General Corporation Law, the DLLCA or other applicable Law.

3.10 Information To Be Supplied. The information supplied or to be supplied by Victory for inclusion in the Chucktaylor Filings to be filed with the Commission will not, on the date of its filing or, in the case of the Chuck Form 10, at the time it becomes effective under the Exchange Act, or on the dates of Chucktaylor Proxy Statement and Distribution Proxy Statement are mailed to Chucktaylor Shareholders and at the times of the Chucktaylor Shareholder Meeting and Distribution Shareholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

3.11 Voting Requirements; Approval; Board Approval. (a) The vote required by Law of any class or series of Victory capital stock necessary to approve this Agreement, the Other Transaction Agreements and the Transactions is the affirmative vote (in person or by proxy) of the holders of the majority of the outstanding shares of Victory Common Stock and Victory Preferred Stock (on an as converted basis), taken together, present at the Victory Stockholder Meeting. Notwithstanding the preceding sentence, Chucktaylor and Victory have agreed that the affirmative vote (in person or by proxy) of the holders of the majority of the outstanding shares of Victory Common Stock present at such Victory Stockholder Meeting, other than shares of Victory Common Stock and Victory Preferred Stock held by

Chucktaylor or its Subsidiaries, will be the vote necessary to approve this Agreement, the Other Transaction Agreements and the Transactions (the "*Victory Stockholder Approval*").

(b) The board of directors of Victory, upon the unanimous recommendation of the Special Committee, has, at a meeting duly called and held, by vote, (i) approved this Agreement, the Other Transaction Agreements and the Transactions, and (ii) resolved to recommend that the Victory Stockholders approve the Merger.

3.12 Taxes.

(a) Victory and its Subsidiaries, and any consolidated, combined, unitary or aggregate group for Tax purposes of which Victory or any Victory Subsidiary is or has been a member, have timely filed all material Tax Returns required to be filed by each of them other than those Tax Returns listed on *Section 3.12(a)* of the Victory Disclosure Letter; all such Tax Returns are true and correct in all material respects, and Victory and the Victory Subsidiaries have timely paid or withheld and timely paid to the appropriate Tax Authority all material Taxes due (whether or not shown to be due on such Tax Returns).

(b) There is (i) no claim for Taxes being asserted or that has been previously asserted against Victory or any Victory Subsidiary that has resulted in a lien against the property of Victory or any Victory Subsidiary other than Permitted Encumbrances described in clause (a) of the definition of such term, (ii) no audit of any material Tax Return of Victory or any Victory Subsidiary being conducted or, to the Knowledge of Victory, threatened by a Tax Authority, and (iii) no waiver or extension of any statute of limitations with respect to the assessment or deficiency of any material Taxes granted by Victory currently in effect.

(c) No written claim has been made by a Tax Authority in a jurisdiction where Victory or any Victory Subsidiary do not file Tax Returns that Victory or any Victory Subsidiary is or may be subject to taxation by that jurisdiction.

(d) Neither Victory nor any Victory Subsidiary has (i) engaged in a "listed transaction," as defined in Section 6707A(c)(2) of the Code or Treasury Regulations Section 1.6011-4(b), (ii) ever been a member of a consolidated, combined, unitary or aggregate group of which Victory was not the ultimate parent company, except as listed on *Section 3.12(d)* of the Victory Disclosure Letter, (iii) been the "distributing corporation" or the "controlled corporation" (in each case, within the meaning of Section 355(a)(1) of the Code) with respect to a distribution described in or intended to be governed by Section 355 of the Code (A) within the two-year period ending as of the date of this Agreement, or (B) that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) that includes the Transactions, or (iv) any Liability under Treasury Regulations Section 1.1502-6, for any Taxes of any Person other than Victory or any Victory Subsidiary.

(e) Except as listed on *Section 3.12(e)* of the Victory Disclosure Letter, neither Victory nor any Victory Subsidiary is a party to or bound by any Tax sharing or Tax allocation agreement, nor does Victory or any Victory Subsidiary have any Liability to another party under any such agreement, other than any such agreements that are pursuant to customary commercial contracts not primarily related to Taxes and such agreements between Chucktaylor and Chuck or Chucktaylor and Victory.

3.13 Opinion Of Financial Advisor. The Special Committee has received the opinion of Citigroup Global Markets Inc., dated August 12, 2012, to the effect that, as of such date, and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the aggregate Merger Consideration to be paid by Victory in the Merger is fair from a financial point of view to the holders of Victory Common Stock (other than Chucktaylor and its Affiliates), a signed copy of which opinion has been or will be provided to Chucktaylor for informational purposes only.

3.14 No Other Representations Or Warranties. Except for the representations and warranties of Victory expressly set forth in this Agreement and the Other Transaction Agreements, neither Victory nor any other Person makes any other express or implied representation or warranty on behalf of Victory or any of its Subsidiaries with respect to Victory, its Subsidiaries or the Transactions. The representations and warranties made in this Agreement and the Other Transaction Agreements with respect to Victory, its Subsidiaries and the Transactions are in lieu of all other representations and warranties Victory and its Subsidiaries might have given Chucktaylor.

IV. COVENANTS

4.01 Conduct Of Business Pending The Closing. (a) Except as otherwise provided in *Section 4.01(a)* of the Chucktaylor Disclosure Letter or as expressly provided in this Agreement or the Other Transaction Agreements, Chucktaylor will not, without the prior written consent of Victory, which shall not be unreasonably withheld:

(i) amend or otherwise change the certificate of incorporation (other than in connection with the Chucktaylor reverse stock split to be considered by Chucktaylor Shareholders as part of the Distribution Shareholder Meeting) or by-laws of Chucktaylor;

(ii) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, enter any agreement with respect to the voting of its capital stock or purchase or otherwise acquire, directly or indirectly, any Chucktaylor Equity Interests (other than (A) dividends payable by a wholly owned Chucktaylor Subsidiary to Chucktaylor or another wholly owned Chucktaylor Subsidiary, (B) the Distribution or the Chuck Disposition, (C) in connection with the settlement of options and deferred units under any Chucktaylor Compensation And Benefit Plan, or (D) to the extent that, prior to the Effective Time, the board of directors of Chucktaylor reasonably determines in good faith that the Retained Assets will exceed, as of the Effective Time, the Retained Liabilities by an amount greater than \$10 million, the amount of such excess);

(iii) reclassify, combine, split (other than in connection with the Chucktaylor reverse stock split to be considered by Chucktaylor Shareholders as part of the Distribution Shareholder Meeting) or subdivide, directly or indirectly, any Chucktaylor Common Stock;

(iv) pledge, lease, license, guarantee, encumber or authorize the pledge, lease, guarantee or encumbrance of any Assets that will be in effect at or following the Effective Time;

(v) (A) acquire (including by merger, consolidation, or acquisition of stock or assets) any interest in any Person or any division thereof or any other than *de minimis* assets that would not be Retained Assets as of immediately prior to the Effective Time or (B) incur any indebtedness for borrowed money, issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any Person (other than Chucktaylor), including any Chucktaylor Subsidiaries, for borrowed money that will be outstanding at the Effective Time;

(vi) enter into any pay or performance guarantees or agreements to indemnify any other Person, other than any (I) indemnity agreements for directors, officers or service providers entered into in the ordinary course of business consistent with past practice or (ii) pay or performance guarantees or agreements to indemnify under which Chucktaylor will have no obligations following the Effective Time;

(vii) (A) make a change in the accounting or Tax reporting or accounting principles, methods or policies of Chucktaylor, except as required by a change in GAAP, (B) make, change or revoke any material Tax election or method of accounting on which Tax reporting is based, (C) settle or compromise any material Tax claim or Liability, enter into any material Tax closing agreements or

take any affirmative action to surrender any right to claim a material Tax refund, offset or other reduction in Tax Liability, or (D) amend any Tax Return if, with respect to (B), (C) and (D), any such action would increase the Tax obligations of Victory or the Surviving Company following the Closing;

(viii) adopt or amend any Chucktaylor Compensation And Benefit Plans, except (A) as required to comply with applicable Law, (B) as expressly contemplated by the Distribution Agreements or the Chuck Disposition Agreements, as applicable, or (C) to the extent such adoption or amendment would not reasonably be likely to result in (x) a failure to have Closing Date Positive Net Worth or (y) any Liability to Victory or the Surviving Company following the Closing that is not a Retained Liability;

(ix) amend, modify, terminate (partially or completely), grant any waiver under or give any consent with respect to, or enter into any agreement to amend, modify, terminate (partially or completely), grant any waiver under or give any consent with respect to, any of the Distribution Agreements, Chuck Disposition Agreements, Chucktaylor Contracts or the Cadian Agreement or enter into any other Chucktaylor Contract, in each case that would reasonably be likely to result in a failure to have a Closing Date Positive Net Worth or that would otherwise adversely affect the rights of Victory or Chucktaylor under the applicable agreements in any material respect;

(x) permit the insurance policies set forth on *Section 4.01(a)(x)* of the Chucktaylor Disclosure Letter to be assigned, cancelled or terminated (without replacing such policy with a substantially similar policy) or fail to pay any insurance premium in respect of any such policy (or replacement) when due;

(xi) take any action to exempt or not make subject to the provisions of Section 912 of the NYBCL or any other state takeover Law or state Law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any Person (other than Victory and Merger Sub), or any action taken thereby, which Person or action could have otherwise been subject to the restrictive provisions thereof and not exempt therefrom; or

(xii) agree, in writing or otherwise, to take any of the foregoing actions.

(b) Except as contemplated by *Section 6.13* of the Tax Disaffiliation Agreement, following the consummation of the Distribution (or the Chuck Disposition, as applicable) and prior to any termination of this Agreement, Chucktaylor will operate as a public holding company that serves as a holding company for its equity interests in Victory and for the purpose of consummating the Transactions and its operations will be limited to compliance with any and all of its legal and contractual obligations, including (i) obligations under the federal securities laws, the requirements of NASDAQ and under this Agreement and the Distribution Agreements, (ii) retaining the service of employees, advisers or independent contractors, entering into Contracts for services or otherwise, and taking such further action, in each case, as it determines to be necessary or appropriate in furtherance of the foregoing.

4.02 Conduct Of Victory Pending The Closing. Except as otherwise provided in this Agreement or the Other Transaction Agreements, required by Law or set forth on *Section 4.02* of the Victory Disclosure Letter, before the Closing, Victory will not, without the prior written consent of Chucktaylor which shall not be unreasonably withheld, nor will it permit any of its Subsidiaries to:

(a) amend or otherwise change its certificate of incorporation or by-laws, except as expressly contemplated by this Agreement or the Other Transaction Agreements;

(b) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock (other than dividends payable by a wholly owned Victory Subsidiary to Victory or another wholly owned Victory Subsidiary), enter any

agreement with respect to the voting of its capital stock or purchase or otherwise acquire, directly or indirectly, any Victory Equity Interests;

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

(d) agree, in writing or otherwise, to take any of the foregoing actions.

4.03 Efforts; Takeover Statutes. (a) Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, as promptly as reasonably practicable, the Transactions, including (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Authorities and the making of all necessary registrations and filings and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Authority, (ii) the obtaining of all necessary Consents, and (iii) the execution and delivery of any additional instruments necessary to consummate the Transactions contemplated by, and to fully carry out the purposes of, this Agreement.

(b) Chucktaylor will use its reasonable best efforts to cause Chucktaylor to be a holding company with no operations and with a Closing Date Positive Net Worth. In furtherance of the foregoing, Chucktaylor will prepare or cause to be prepared and delivered to Victory not less than five Business Days prior to the Closing Date a good faith estimate of a statement setting forth in reasonable detail (and, upon request, reasonable supporting documentation) the Closing Date Positive Net Worth after giving effect to payments required to be made or distributions permitted hereunder by Chucktaylor immediately prior to the Effective Time (the "*Closing Date Positive Net Worth Statement*") signed by the chief executive officer of Chucktaylor (in his capacity as such). The Parties will, together with Deloitte & Touche LLP, agree upon accounting procedures regarding the preparation and Deloitte & Touche LLP's review of the Closing Date Positive Net Worth Statement. Victory will be entitled to reasonable access, during normal business hours and upon reasonable advance notice, to the material premises, properties, personnel, accountants, books, records, Contracts and documents of or pertaining to Chucktaylor that Victory may reasonably request and that is readily available to Chucktaylor or may be prepared or compiled by or at the request of Chucktaylor without undue burden, to the extent that such information is reasonably required by Victory in order to complete its review of the Closing Date Positive Net Worth Statement, including the basis of Chucktaylor's calculation of the Retained Assets and Retained Liabilities in such detail as will permit Victory to understand clearly such calculations. Notwithstanding anything to the contrary herein, Chucktaylor hereby agrees, on its behalf and on behalf of Chuck, that the Accounting Review Requirements and the Accounting Review Costs with respect to the Applicable Tax Returns for the taxable year ended January 31, 2012 are subject to the prior written approval of Victory (as each such term is defined in the Tax Disaffiliation Agreement), which will not be unreasonably withheld. Chucktaylor will, and will cause Chuck to, allow Victory an opportunity to (i) provide comments on any proposal by a Big Four Accounting Firm with respect to the Accounting Review Requirements and the Accounting Review Costs with respect to the Applicable Tax Returns for the taxable year ended January 31, 2012 and (ii) participate with Chucktaylor and Chuck in any material discussions or meetings with the Big Four Accounting Firm in respect thereof. For the avoidance of doubt, the Accounting Review Costs for the Applicable Tax Returns for the taxable period ended January 31, 2012 are subject to the prior written approval of Victory, such approval not to be unreasonably withheld (the "*Approved Accounting Review Costs*").

(c) Chucktaylor will use its reasonable best efforts to take all action necessary or proper to consummate the Distribution or the Chuck Disposition as soon as reasonably practicable after the date hereof.

(d) In connection with and without limiting the foregoing, Chucktaylor, Victory and Merger Sub will (i) take all action necessary to ensure that no "fair price," "moratorium," "control share acquisition" or other anti-takeover Law (each, a "*Takeover Statute*") or similar Law is or becomes applicable to the Merger, this Agreement or any of the other Transactions contemplated herein and (ii) if any Takeover Statute or similar Law becomes applicable to the Merger, this Agreement or any of the other Transactions, take all action necessary to ensure that the Merger and the other Transactions may be consummated as promptly as reasonably practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such Law on the Merger and the other Transactions.

4.04 Public Announcements. Victory and Chucktaylor will consult with each other before holding any press conferences, analyst calls or other public meetings or discussions and before publishing any press release or other public announcements with respect to the Transactions, other than any employee communications. Each of the Parties will provide each other the opportunity to review and comment upon any press release or other public announcement or statement with respect to the Transactions, and will not issue any such press release or other public announcement or statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange, *provided* that, the Party intending to make such release will use its commercially reasonable efforts consistent with applicable Law to consult with the other party with respect to the text thereof. The Parties agree that the initial press release or releases to be issued with respect to the Transactions will be mutually agreed upon prior to the issuance thereof. The covenants in this *Section 4.04* will not apply to any communication regarding any action which a Party believes is a breach of this Agreement by another Party or the termination of this Agreement.

4.05 Notification Of Certain Matters. (a) Between the date hereof and the Effective Time, each of Victory, on behalf of itself and Merger Sub, and Chucktaylor will give prompt written notice to the other of (i) any notice or other communication from any Person alleging that the Consent of such Person is or may be required to consummate the Transactions, (ii) any Action commenced or threatened in writing against, relating to or involving or otherwise affecting it or any of its Subsidiaries that relate to the consummation of the Transactions, the Distribution or the Chuck Disposition, the occurrence or failure to occur, or the impending or threatened occurrence or failure to occur, of any event or circumstance which occurrence or failure to occur would reasonably be expected to cause any of its representations or warranties in this Agreement, the Other Transaction Agreements, the Distribution Agreements, or the Chuck Disposition Agreements to be untrue or inaccurate in any material respect at any time from the date hereof through the Effective Time, and (iii) the occurrence or failure to occur, or the impending or alleged threatened occurrence or failure to occur, of any event or circumstance which occurrence or failure to occur would reasonably be expected to cause any condition, covenant or agreement contained in this Agreement, the Other Transaction Agreements, the Distribution Agreements or the Chuck Disposition Agreements to fail to be complied with or satisfied; *provided*, that the delivery of any notice pursuant to this *Section 4.05(a)* will not limit or otherwise affect the remedies available to the Party receiving such notice.

(b) After the date hereof, Chucktaylor will give prompt written notice to Victory of (i) any agreement, arrangement, commitment or obligation to sell, dispose, assign or otherwise transfer any shares of Victory Preferred Stock or Victory Common Stock owned by Chucktaylor as of the date hereof, including the identity of the transferee, assignee or purchaser thereof and the date or expected date of consummation of such sale, disposition, assignment or transfer, and (ii) any Liability that becomes Known to Chucktaylor after the date hereof other than any such Liability that will be identified on the Closing Date Net Worth Positive Statement.

4.06 Access. Chucktaylor will, and will cause the Chucktaylor Subsidiaries (other than Chuck and Chuck's Subsidiaries following the Distribution) to, afford to Victory reasonable access, during normal

business hours, to all of Chucktaylor's properties, books, contracts, commitments, management and other personnel, and records and all other information concerning their business, properties and personnel as Victory or Merger Sub may reasonably request (including consultation with appropriate Chucktaylor Representatives with respect to litigation matters). Victory will have the right, at its sole cost and expense, to copy any such properties, books, contracts, commitments, records and other information or to otherwise image hard drives or electronic data in connection with the foregoing sentence. Victory and Merger Sub will hold, and will cause their respective Affiliates and the Victory Representatives to hold, any nonpublic information in accordance with the terms of the Confidentiality Agreement. Notwithstanding the foregoing, Chucktaylor will not be required to provide access to or disclose information where it reasonably determines that such access or disclosure would jeopardize the attorney-client privilege or contravene any Law or any agreement to which it is a party; *provided*, that Chucktaylor will use its reasonable best efforts to obtain any required consents and take such other action (such as the entry into a joint defense agreement or other arrangement to avoid loss of attorney-client privilege) to permit such access or disclosure. No investigation pursuant to this *Section 4.06* will affect the representations, warranties or conditions to the obligations of the Parties contained herein.

4.07 Preparation Of SEC Filings. As soon as practicable following the date of the Distribution Shareholder Meeting or such other time as may be agreed upon by Chucktaylor and Victory, to the extent such filings are required by applicable Law, (i) Victory will prepare and file with the Commission a registration statement on Form S-4 (or other appropriate form) (the "*Victory Form S-4*") to register the shares of Victory Common Stock to be issued in the Merger, (ii) Victory will prepare and file with the Commission a proxy statement (the "*Victory Proxy Statement*") relating to the Victory Stockholder Approval (which Victory Proxy Statement may be included in the Victory Form S-4), (iii) Chucktaylor will prepare and file with the Commission a proxy statement, which, to the extent applicable, may be an amendment to the Distribution Proxy Statement (as defined below) (the "*Chucktaylor Proxy Statement*") relating to the Chucktaylor Shareholder Approval (which Chucktaylor Proxy Statement, if it is not reflected in an amendment to the Distribution Proxy Statement and is included in the Victory Form S-4, is in a form reasonably acceptable to Victory), (iv) Chucktaylor will, to the extent necessary or appropriate to reflect the Merger, prepare and file with the Commission one or more amendments to the preliminary proxy statement filed by Chucktaylor with the Commission on June 7, 2012 (the "*Distribution Proxy Statement*") relating to the Distribution Shareholder Approval, (v) Chucktaylor will, to the extent necessary or appropriate to reflect the Merger, cause Chuck to prepare and file with the Commission one or more amendments to the registration statement on Form 10 filed by Chuck with the Commission on June 7, 2012 (the "*Chuck Form 10*") relating to the Distribution and (vi) the Parties will file such other documents with the Commission or applicable state securities regulators as may be necessary or appropriate in connection with the Merger. Each of Victory and Chucktaylor will use their reasonable best efforts to have the Victory Form S-4, and any other registration statements as may be required declared effective under the Securities Act or Exchange Act, as applicable, as promptly as practicable after such filing. Victory will use its best reasonable efforts to cause the Victory Proxy Statement to be mailed to the Victory Stockholders after the Victory Form S-4 is declared effective under the Securities Act (or at such earlier time as the Parties deem appropriate). Chucktaylor will use its best reasonable efforts to cause the Chucktaylor Proxy Statement to be mailed to the Chucktaylor Shareholders after the Victory Form S-4 is declared effective under the Securities Act (or such earlier time as the Parties deem appropriate). Each of Chucktaylor and Victory will also take any action required to be taken under any applicable state securities Laws in connection with the Transactions. Victory will furnish all information concerning Victory and Merger Sub, and Chucktaylor will furnish all information concerning Chucktaylor and Chuck, as may be reasonably requested in connection with any such action and the preparation, filing and distribution of the Chucktaylor Filings and the Victory Filings. No filing of, or amendment or supplement to the Chucktaylor Proxy Statement, the Distribution Proxy Statement (if such document or supplement includes reference to the Merger),

the Victory Proxy Statement, the Victory Form S-4 or the Chuck Form 10 (if such document or supplement includes reference to the Merger) will be made without providing the other Parties a reasonable opportunity to review and comment thereon. If at any time prior to the Effective Time any information relating to Victory, Merger Sub, Chucktaylor, Chuck or any of their respective Affiliates, officers or directors should be discovered by Victory or Chucktaylor which should be set forth in an amendment or supplement to any of the Chucktaylor Proxy Statement, the Distribution Proxy Statement (if such document includes reference to the Merger), the Victory Proxy Statement, the Victory Form S-4 or the Chuck Form 10 (if such document includes reference to the Merger) so that any such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Party which discovers such information will promptly notify the other Parties and an appropriate amendment or supplement describing such information will be promptly filed with the Commission and, to the extent required by Law, disseminated to the applicable stockholders. The Parties will notify each other promptly of the receipt of (i) all orders and notices of effectiveness of the Commission relating to the Victory Form S-4 or the Chuck Form 10 (if such document includes reference to the Merger), and (ii) any comments from the Commission or its staff and of any request by the Commission or its staff for amendments or supplements to the Chucktaylor Proxy Statement, the Distribution Proxy Statement (if such document includes reference to the Merger), the Victory Proxy Statement, the Victory Form S-4 or the Chuck Form 10 (if such document includes reference to the Merger) or for additional information and will supply each other with copies of all correspondence between it or any of its representatives, on the one hand, and the Commission or its staff, on the other hand, with respect thereto and will respond as promptly as practicable to any such comments or requests.

4.08 *Victory Stockholder Meeting.* Following the date of this Agreement, in compliance with applicable Law, Chucktaylor and Victory will, acting in good faith, mutually agree upon a meeting date and record date for a meeting of the Victory Stockholders, and Victory will establish such record date for, duly call, give notice of, convene and hold such meeting of the Victory Stockholders (the "*Victory Stockholder Meeting*") for the purpose of obtaining the Victory Stockholder Approval. Victory may adjourn or postpone the Victory Stockholder Meeting (i) to the extent necessary to ensure that any supplement or amendment to the Victory Proxy Statement that it determines in good faith is required by Law (which determination will not be made until after consultation with Chucktaylor, except with respect to any Victory Superior Proposal or as otherwise provided in *Section 4.11*) to be provided to the Victory Stockholders in advance of the Victory Stockholder Meeting, (ii) if, as of the time that the Victory Stockholder Meeting is scheduled, there are insufficient shares of Victory Common Stock represented (either in person or proxy) to constitute a quorum necessary to conduct the business of the Victory Stockholder Meeting, or (iii) if, as of the time that the Victory Stockholder Meeting is scheduled, adjournment of the Victory Stockholder Meeting is necessary to enable Victory to solicit additional proxies if there are not sufficient votes in favor of the Victory Stockholder Approval. Subject to *Section 4.11*, Victory will, through its board of directors and the Special Committee, recommend to its stockholders that they give Victory Stockholder Approval and will include such recommendation in the Victory Proxy Statement. Without limiting the generality of the foregoing, Victory agrees that its obligations pursuant to the first sentence of this *Section 4.08* will not be affected by the withdrawal or modification by the board of directors of Victory or the Special Committee of their recommendations of the Victory Stockholder Approval.

4.09 *Chucktaylor Shareholder Meeting.* Following the date of this Agreement, in compliance with applicable Law, Chucktaylor and Victory will, acting in good faith, mutually agree upon a meeting date and record date for a meeting of the Chucktaylor Shareholders, and Chucktaylor will establish such record date for, duly call, give notice of, convene and hold such meeting of the Chucktaylor Shareholders (the "*Chucktaylor Shareholder Meeting*") for the purpose of obtaining the Chucktaylor Shareholder Approval. Chucktaylor may adjourn or postpone Chucktaylor Shareholder Meeting (i) to

the extent necessary to ensure that any supplement or amendment to the Chucktaylor Proxy Statement that it determines in good faith is required by Law (which determination will not be made until after consultation with Victory, except with respect to any Chucktaylor Takeover Proposal or as otherwise provided in *Section 4.10*) is to be provided to Chucktaylor Shareholders in advance of the Chucktaylor Shareholder Meeting, (ii) if, as of the time that Chucktaylor Shareholder Meeting is scheduled, there are insufficient shares of Chucktaylor Common Stock represented (either in person or proxy) to constitute a quorum necessary to conduct the business of the Chucktaylor Shareholder Meeting, or (iii) if, as of the time that the Chucktaylor Shareholder Meeting is scheduled, adjournment of the Chucktaylor Shareholder Meeting is necessary to enable Chucktaylor to solicit additional proxies if there are not sufficient votes in favor of the Chucktaylor Shareholder Approval. Subject to *Section 4.10*, Chucktaylor will, through its board of directors, recommend to its shareholders that they give the Chucktaylor Shareholder Approval and will include such recommendation in the Chucktaylor Proxy Statement. Without limiting the generality of the foregoing, Chucktaylor agrees that its obligations pursuant to the first sentence of this *Section 4.09* will not be affected by the withdrawal or modification by the board of directors of Chucktaylor of its recommendation of the Chucktaylor Shareholder Approval.

4.10 No Solicitation By Chucktaylor. (a) Chucktaylor will, and will cause its Subsidiaries and its and their Representatives to, cease immediately and cause to be terminated any activities, discussions and negotiations regarding any proposal that constitutes, or may reasonably be expected to lead to, any Chucktaylor Superior Proposal and, except as permitted by *Section 4.10(b)*, Chucktaylor will not modify, waive, amend or release any standstill, confidentiality or similar agreements entered into with prospective purchasers of Chucktaylor prior to the date of this Agreement and Chucktaylor will request the prompt return or destruction of all confidential information relating to Victory that was previously furnished to any such Person in connection therewith. From and after the date of this Agreement, Chucktaylor will not, nor will it authorize or permit any of the Chucktaylor Subsidiaries to, and it will cause its or the Chucktaylor Subsidiaries' officers, directors, employees and other Representatives not to, directly or indirectly, (i) solicit, initiate or knowingly encourage, or knowingly take any action designed to facilitate, any inquiries or the making of any proposal that constitutes, or would reasonably be expected to lead to any Chucktaylor Superior Proposal or (ii) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to knowingly facilitate any inquiries or the making of any proposal that constitutes, or would reasonably be expected to lead to, any Chucktaylor Superior Proposal.

(b) Notwithstanding the provisions of *Section 4.10(a)*, prior to receipt of the Chucktaylor Shareholder Approval, Chucktaylor may, if the failure to take such action would be inconsistent with the fiduciary duties of the board of directors of Chucktaylor to the Chucktaylor Shareholders under applicable Law, as determined in good faith after consulting with outside legal counsel and financial advisors, in response to a Qualifying Chucktaylor Takeover Proposal (and subject to compliance with the provisions of this *Section 4.10*):

(i) furnish information with respect to Chucktaylor to the Person making such Qualifying Chucktaylor Takeover Proposal and its Representatives pursuant to a confidentiality agreement that Chucktaylor determines in good faith is not less restrictive of such Person than the Confidentiality Agreements (provided that all such information has previously been provided to Victory or is provided to Victory prior to or substantially concurrent with the time it is provided to such Person); and

(ii) participate in discussions and negotiations with such Person and its Representatives regarding such Qualifying Chucktaylor Takeover Proposal.

(c) Neither the board of directors of Chucktaylor nor any committee thereof may (i) withdraw or modify in a manner adverse to Victory, or publicly propose to withdraw or modify in a manner adverse to Victory, the recommendation or declaration of advisability by the board of directors of Chucktaylor of this Agreement, the Other Transaction Agreements or any of the Transactions, including the Chucktaylor Shareholder Approval, (ii) approve, adopt or recommend, or permit Chucktaylor or any Chucktaylor Subsidiary to enter into, any letter of intent, agreement in principle, acquisition agreement, option agreement, joint venture agreement, merger agreement or similar agreement relating to any Qualifying Chucktaylor Takeover Proposal, or (iii) approve, adopt or recommend, or publicly propose to approve, adopt or recommend, any Qualifying Chucktaylor Takeover Proposal. Notwithstanding the foregoing, if, prior to receipt of the Chucktaylor Shareholder Approval, the board of directors of Chucktaylor determines in good faith, after consulting with outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties to the stockholders of Chucktaylor under applicable Law, then, on the fifth Business Day following Victory's receipt of written notice from Chucktaylor, the board of directors of Chucktaylor may withdraw or modify its recommendation of the Chucktaylor Shareholder Approval, and, in connection therewith, recommend such Qualifying Chucktaylor Takeover Proposal; *provided that* (A) during such five-Business Day period, Chucktaylor will be obligated to negotiate in good faith with Victory and the Special Committee regarding any modification to this Agreement proposed by Victory or the Special Committee and (B) in the event of any material change to the material terms of such Chucktaylor Superior Proposal, Chucktaylor shall have delivered to Victory an additional notice and the notice period shall have recommenced, unless the event requiring notice pursuant to this *Section 4.10* occurred less than five Business Days prior to the Chucktaylor Shareholder Meeting, as the case may be, in which case Chucktaylor will deliver notice to Victory of such event as promptly as practicable.

(d) Chucktaylor will, as promptly as reasonably practicable (and in any case within 24 hours following receipt by Chucktaylor), advise Victory orally and in writing of any Qualifying Chucktaylor Takeover Proposal or any inquiry with respect to or that would reasonably be expected to lead to any Chucktaylor Superior Proposal, and the identity of the Person making any such Qualifying Chucktaylor Takeover Proposal or inquiry and the material terms of any such Qualifying Chucktaylor Takeover Proposal or inquiry. Chucktaylor will (i) keep Victory reasonably informed of the status including any change to the material terms of any such Qualifying Chucktaylor Takeover Proposal and (ii) provide to Victory as promptly as reasonably practicable (and in any case within 24 hours after receipt or delivery thereof) copies of all written diligence material sent or provided by Chucktaylor to any third party in connection with any Chucktaylor Takeover Proposal, which was not otherwise previously provided or made available to Victory or its Representatives.

(e) Nothing contained in this *Section 4.10* will prohibit Chucktaylor from making any disclosure to the Chucktaylor Shareholders if, in the good faith judgment of the board of directors of Chucktaylor after consulting with outside legal counsel, failure so to disclose would be inconsistent with its obligations under applicable Law; *provided, however*, that this *Section 4.10(e)* will not eliminate or modify (x) Chucktaylor's obligations under the proviso in *Section 4.10(c)* or (y) the effect that taking and disclosing any such position would otherwise have under this Agreement pursuant to *Section 6.02(b)(ii)(B)*.

(f) For purposes of this Agreement:

(i) "*Qualifying Chucktaylor Takeover Proposal*" means a bona fide, written proposal by a third party for an acquisition, merger, consolidation, dissolution, recapitalization or other business combination involving Chucktaylor pursuant to which the Chucktaylor Shareholders immediately preceding such transaction hold securities representing less than 50% of the total outstanding voting power of the surviving or resulting entity of such transaction (A) is made by a Person the board of directors of Chucktaylor reasonably determines, in good faith, after consulting with outside counsel and independent financial advisors, is reasonably capable of making a Chucktaylor

Superior Proposal, (B) that the board of directors of Chucktaylor reasonably determines, in good faith, after consulting with its independent financial advisor, constitutes or is reasonably likely to lead to a Chucktaylor Superior Proposal, and (C) that was not solicited by Chucktaylor and did not otherwise result from a breach of this *Section 4.10*.

(ii) "*Chucktaylor Superior Proposal*" means any bona fide written proposal made by a third party for an acquisition, merger, consolidation, dissolution, recapitalization or other business combination involving Chucktaylor pursuant to which the Chucktaylor Shareholders immediately preceding such transaction hold securities representing less than 50% of the total outstanding voting power of the surviving or resulting entity of such transaction on terms which the board of directors of Chucktaylor determines in its good faith judgment after consulting with its independent financial advisor (A) to be superior from a financial point of view to the Chucktaylor Shareholders than the Transactions, taking into account all the terms and conditions of such proposal and this Agreement (including any proposal by Victory to amend the terms of the Transactions) and (B) is reasonably capable of being completed, taking into account all financial, regulatory, legal and other aspects of such proposal;

provided, however, for the avoidance of doubt, (x) any proposal for the sale or disposition (by merger, consolidation, sale or disposition of capital stock or other assets, or otherwise) involving the acquisition of only Chuck and its Subsidiaries (a "*Chuck Disposition*") by an unaffiliated third party (the "*Acquiror*") will not constitute either a Qualifying Chucktaylor Takeover Proposal or a Chucktaylor Superior Proposal and (y) Chucktaylor will be permitted to actively solicit proposals involving a Chuck Disposition.

4.11 No Solicitation By Victory. (a) Victory will, and will cause its Subsidiaries and its and their Representatives to, cease immediately and cause to be terminated any activities, discussions and negotiations regarding any proposal that constitutes, or may reasonably be expected to lead to, any Victory Superior Proposal. From and after the date of this Agreement, Victory will not, nor will it authorize or permit any of its Subsidiaries to, and it will cause its or its Subsidiaries' officers, directors, employees and other Representatives not to, directly or indirectly, (i) solicit, initiate or knowingly encourage, or knowingly take any action designed to facilitate, any inquiries or the making of any proposal that constitutes, or would reasonably be expected to lead to any Victory Superior Proposal or (ii) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to knowingly facilitate any inquiries or the making of any proposal that constitutes, or would reasonably be expected to lead to, any Victory Superior Proposal.

(b) Notwithstanding the provisions of *Section 4.11(a)*, prior to receipt of the Victory Stockholder Approval, Victory may, if the failure to take such action would be inconsistent with the fiduciary duties of the board of directors of Victory to the Victory Stockholders under applicable Law, as determined in good faith after consulting with outside legal counsel and financial advisors, in response to a Qualifying Victory Proposal (and subject to compliance with the provisions of this *Section 4.11*):

(i) furnish information with respect to Victory to the Person making such Qualifying Victory Proposal and its Representatives pursuant to a customary confidentiality agreement that Victory determines in good faith is not less restrictive of such Person than the Confidentiality Agreements (provided that all such information has previously been provided to Chucktaylor or is provided to Chucktaylor prior to or substantially concurrent with the time it is provided to such Person); and

(ii) participate in discussions and negotiations with such Person and its Representatives regarding such Qualifying Victory Proposal.

(c) Neither the board of directors of Victory nor any committee thereof may (i) withdraw or modify in a manner adverse to Chucktaylor, or publicly propose to withdraw or modify in a manner adverse to Chucktaylor, the recommendation or declaration of advisability by the board of directors of

Victory of this Agreement, the Other Transaction Agreements or any of the Transactions, including the Victory Stockholder Approval, (ii) approve, adopt or recommend, or permit Victory or any Victory Subsidiary to enter into, any letter of intent, agreement in principle, acquisition agreement, option agreement, joint venture agreement, merger agreement or similar agreement relating to any Qualifying Victory Proposal, or (iii) approve, adopt or recommend, or publicly propose to approve, adopt or recommend, any Qualifying Victory Proposal. Notwithstanding the foregoing, if, prior to receipt of the Victory Stockholder Approval, the board of directors of Victory determines in good faith, after consulting with outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties to the stockholders of Victory under applicable Law, then, on the fifth Business Day following Chucktaylor's receipt of written notice from Victory, the board of directors of Victory may withdraw or modify its recommendation of the Victory Stockholder Approval, and, in connection therewith, recommend such Qualifying Victory Proposal; *provided* that (A) during such five-Business Day period, Victory will be obligated to negotiate in good faith with Chucktaylor regarding any modification to this Agreement proposed by Chucktaylor and (B) in the event of any material change to the material terms of such Victory Superior Proposal, Victory shall have delivered to Chucktaylor an additional notice and the notice period shall have recommenced, unless the event requiring notice pursuant to this *Section 4.11* occurred less than five Business Days prior to the Victory Stockholder Meeting, in which case Victory will deliver notice to Chucktaylor of such event as promptly as practicable.

(d) Victory will, as promptly as reasonably practicable (and in any case within 24 hours following receipt by Victory), advise Chucktaylor orally and in writing of any Qualifying Victory Proposal or any inquiry with respect to or that would reasonably be expected to lead to any Victory Superior Proposal, and the identity of the Person making any such Qualifying Victory Proposal or inquiry and the material terms of any such Qualifying Victory Proposal or inquiry. Victory will keep Chucktaylor reasonably informed of the status including any change to the material terms of any such Qualifying Victory Proposal or inquiry.

(e) Nothing contained in this *Section 4.11* will prohibit Victory from making any disclosure to the Victory Stockholders if, in the good faith judgment of the board of directors of Victory after consulting with outside legal counsel, failure so to disclose would be inconsistent with its obligations under applicable Law; *provided, however*, that this *Section 4.11(e)* will not eliminate or modify (x) Victory's obligations under the proviso in *Section 4.11(c)* or (y) the effect that taking and disclosing any such position would otherwise have under this Agreement pursuant to *Section 6.02(c)(ii)(B)*.

(f) For purposes of this Agreement:

(i) "*Qualifying Victory Proposal*" means a bona fide, written proposal made by a third party for an acquisition, merger, consolidation, dissolution, recapitalization or other business combination involving Victory pursuant to which the Victory Stockholders immediately preceding such transaction hold securities representing less than 50% of the total outstanding voting power of the surviving or resulting entity of such transaction that (A) is made by a Person the board of directors of Victory reasonably determines, in good faith, after consulting with outside counsel and independent financial advisors, is reasonably capable of making a Victory Superior Proposal, (B) the board of directors of Victory reasonably determines, in good faith, after consulting with its independent financial advisor, constitutes or is reasonably likely to lead to a Victory Superior Proposal, and (C) that was not solicited by Victory and did not otherwise result from a breach of this *Section 4.11*.

(ii) "*Victory Superior Proposal*" means any bona fide written proposal made by a third party for an acquisition, merger, consolidation, dissolution, recapitalization or other business combination involving Victory pursuant to which the Victory Stockholders immediately preceding such transaction hold securities representing less than 50% of the total outstanding voting power

of the surviving or resulting entity of such transaction, on terms which the board of directors of Victory determines in its good faith judgment after consulting with its independent financial advisor (A) to be superior from a financial point of view to the Victory Stockholders than the Transactions, taking into account all the terms and conditions of such proposal and this Agreement (including any proposal by Chucktaylor to amend the terms of the transactions contemplated hereby) and (B) is reasonably capable of being completed, taking into account all financial, regulatory, legal and other aspects of such proposal.

4.12 NASDAQ Listing. (a) Victory will use its reasonable best efforts to cause the shares of Victory Common Stock to be issued in connection with the Merger to be listed on the NASDAQ as of the Effective Time, subject to official notice of issuance.

(b) Chucktaylor will use its commercially reasonable effort to (i) cause the shares of Chucktaylor Common Stock currently outstanding or issued in connection with equity awards under any Chucktaylor Compensation And Benefit Plans to remain or become listed on the NASDAQ from the date of this Agreement until immediately prior to the Effective Time and (ii) take such actions prior to the Closing Date that should enable the delisting by the Surviving Company of the Chucktaylor Common Stock from the NASDAQ and the deregistration of the Chucktaylor Common Stock under the Exchange Act as promptly as practicable after the Closing Date.

4.13 Victory Preferred Stock. (a) The Parties agree that, as of the date of this Agreement, a Fundamental Change (as defined in the Certificate of Designation) has not occurred and the consummation of the Transactions, including the Merger, will not be deemed to be a Fundamental Change (as defined in the Certificate of Designation) for any purpose.

(b) Within ten Business Days after the date of this Agreement, the Parties will amend the Certificate of Designation to provide that each share of Victory Preferred Stock that is outstanding immediately prior to the Effective Time will, at the Closing, automatically, without any further action by the holder thereof, be cancelled and cease to exist and will be converted into Victory Common Stock in accordance with the terms of the Certificate of Designation.

4.14 Distribution; Chuck Disposition. Prior to the Effective Time, Chucktaylor will, and prior to the consummation of the Distribution or Chuck Disposition will cause each Chucktaylor Subsidiary to, use its reasonable best efforts to effect the Distribution in accordance with the Distribution Agreements, or in the alternative, the Chuck Disposition in accordance with the Chuck Disposition Agreements. Prior to the Effective Time, Chucktaylor will not, and will cause the Chucktaylor Subsidiaries not to, amend, modify or waive, grant any waiver under, make any election pursuant to, give any consent under, or agree to any of the foregoing, any Distribution Agreement or any Chuck Disposition Agreements, or to enter into any agreements (other than the Distribution Agreements or Chuck Disposition Agreements) that would result in a failure to have a Closing Date Positive Net Worth or otherwise adversely affect Victory or Chucktaylor or their respective rights under this Agreement. Prior to the Effective Time, Chucktaylor will comply with each of its obligations under each of the Distribution Agreements or, if applicable, the Chuck Disposition Agreements. If Chucktaylor elects to pursue and consummate a Chuck Disposition, as a condition to entering into any Chuck Disposition Agreement, Chucktaylor hereby agrees that the Chuck Disposition Agreements will include terms, conditions, rights or privileges that provide, in all material respects, terms, conditions, rights or privileges as set forth in any of the Distribution Agreements that are for the benefit of Chucktaylor, including any right of indemnity of Chucktaylor under the Distribution Agreements and the Escrow Agreement (collectively, the "*Chucktaylor Provisions*").

4.15 Transaction Litigation. The Parties will cooperate and consult with one another, to the fullest extent possible, in connection with any stockholder litigation against any of them or any of their respective directors or officers with respect to the Transactions and will permit the other Party to participate in the defense or settlement of any such litigation. In furtherance of and without in any way

limiting the foregoing, each of the Parties will use its respective reasonable best efforts consistent with the respective fiduciary duties of each Parties' board of directors to defend such litigation so as to permit the consummation of the Transactions in the manner contemplated by this Agreement. Notwithstanding the foregoing, either Party agrees that it will not compromise or settle any litigation commenced against it or its directors or officers relating to this Agreement or the Transactions (including the Merger), unless any such compromise or settlement includes a full release of the other Party and its Subsidiaries (including, in the case of Chucktaylor, if the Distribution has occurred, Chuck and its Subsidiaries), without the other Party's prior written consent, which consent will not be unreasonably withheld, delayed or conditioned.

4.16 Indemnification, Exculpation and Insurance. (a) Victory, for a period of six years after the Effective Time, will, except as otherwise required by any applicable Law, cause the organizational documents of the Surviving Company to contain provisions no less favorable to each individual who at the Effective Time is, or at any time prior to the Effective Time was, a director or officer of Chucktaylor (each an "Indemnitee" and, collectively, the "Indemnitees") with respect to limitation of Liabilities of directors and officers and indemnification than are set forth as of the date of this Agreement in the organizational documents of Chucktaylor, which provisions may not be amended, repealed or otherwise modified in a manner that would adversely affect the rights thereunder of the Indemnitees.

(b) Prior to the Effective Time, Chucktaylor will obtain as of the Effective Time and pay for in full a prepaid "tail" insurance policy substantially on the terms reviewed by Victory prior to the Effective Time (including, the cost, scope and coverage thereof), with a claims period of at least six years from the Effective Time with respect to directors' and officers' liability insurance in amount and scope at least as favorable as Chucktaylor's existing policies for claims arising from facts or events that occurred prior to the Effective Time with respect to those directors and officers of Chucktaylor who are currently (and any additional persons who prior to the Effective Time become) covered by Chucktaylor's directors' and officers' liability insurance policy.

(c) The provisions of this *Section 4.16* are (i) intended to be for the benefit of, and shall be enforceable by, each Indemnitee, his or her heirs and his or her representatives and (ii) in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise. The obligations of Victory and the Surviving Company under this *Section 4.16* may not be terminated or modified in such a manner as to adversely affect the rights of any Indemnitee to whom this *Section 4.16* applies unless (A) such termination or modification is required by applicable Law or (B) the affected Indemnitee has consented in writing to such termination or modification (it being expressly agreed that the Indemnitees to whom this *Section 4.16* applies will be third party beneficiaries of this *Section 4.16*).

(d) In the event that Victory, the Surviving Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving company or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision will be made so that the successors and assigns of Victory and the Surviving Company will assume all of the obligations of set forth in this *Section 4.16*.

(e) Chucktaylor will use reasonable best efforts to cause any insurance policies of Chucktaylor currently in effect to be amended so that the Surviving Company (as the successor of Chucktaylor) will have the ability to exercise any and all of its rights under any such insurance policy (including the right to make any insurance claims and receive insurance payments under any such policy) in respect of any period prior to the Effective Time.

4.17 Treatment as Reorganization. This Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g). The Parties intend that

the Merger qualify as a "reorganization" within the meaning of Section 368(a) of the Code and the Treasury Regulations and will report it as such for all federal, state and local income tax purposes. None of the Parties will take any action or fail to take any action which action or failure would cause the Merger to fail to qualify as a "reorganization" within the meaning of Section 368(a) of the Code and the Treasury Regulations. Each of Chucktaylor and Victory will use its commercially reasonable efforts to obtain the opinion referred to in *Section 5.02(e)* and *Section 5.03(k)*, as applicable. Each of Victory, Merger Sub and Chucktaylor agrees to cooperate with one another and to provide to the other Parties such information and documentation as may be necessary, proper or advisable, to cause the Merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code and the Treasury Regulations. Chucktaylor will use its commercially reasonable efforts to make the representations referred to in *Section 4.17* of the Chucktaylor Disclosure Letter and Victory will use its commercially reasonable efforts to make the representations referred to in *Section 4.17* of the Victory Disclosure Letter.

4.18 FIRPTA Certificate. At or immediately prior to the Closing, Chucktaylor will deliver to Victory an executed notice to the IRS prepared in accordance with the requirements of Treasury Regulations Section 1.1445-2 that is reasonably acceptable to Victory and dated as of the Closing Date (the "FIRPTA Certificate"), along with written authorization for Victory to deliver such FIRPTA Certificate to the IRS on behalf of Chucktaylor following the Closing.

4.19 Consent Decrees And Voluntary Agreements. Prior to the Effective Time, Chucktaylor will, and prior to the consummation of the Distribution or a Chuck Disposition will cause the Chucktaylor Subsidiaries to, perform all obligations required to be performed by it under the Consent Decrees and Voluntary Agreements.

4.20 Employee Matters. (a) Together with the delivery of the Closing Date Positive Net Worth Statement, Chucktaylor will also provide Victory with a copy of *Section 4.20(a)* of the Chucktaylor Disclosure Letter, which sets forth the name of each individual (i) employed by or providing services to Chucktaylor or any Chucktaylor Subsidiary (other than employees of Chuck or Chuck's Subsidiaries) at the time Chucktaylor delivers the Closing Date Positive Net Worth Statement and/or (ii) with respect to whom Chucktaylor or any Chucktaylor Subsidiary may have any severance and/or other known and estimable Liabilities or obligations at or following the Effective Time with respect to such individual's service with Chucktaylor or any Chucktaylor Subsidiary prior to the Effective Time, in each case, individually identifying (A) all of the agreements, arrangements and other instruments which may give rise to any such Liability or obligation to make payments, provide benefits, or set aside amounts payable, to or on behalf of such individual at or following the Effective Time (including in connection with any termination of employment or service of such individual) and (B) the amount of payments and benefits due to or on behalf of each such individual (together, the "Employee-Related Liabilities"). Any and all Employee-Related Liabilities will be included in the Closing Date Positive Net Worth Statement.

(b) Chucktaylor will take all action necessary to provide that, as of immediately prior to the Effective Time, (i) the employment of each employee or service provider of Chucktaylor or any Chucktaylor Subsidiary (other than employees of Chuck or Chuck's Subsidiaries) has been either transferred to Chuck or terminated by Chucktaylor, (ii) none of Victory, the Surviving Company or any of their respective Affiliates will employ or have any Liability or obligation to employ any employee or engage any service provider, (iii) except as set forth in *Section 4.20(a)* of the Chucktaylor Disclosure Letter, all benefit-related plans, programs, agreements and arrangements in effect prior to the Effective Time have been terminated and all Liabilities and obligations under such arrangements have been extinguished so that none of Victory, the Surviving Company or any of their respective Affiliates have any Liabilities or obligations under such arrangements, *provided* that any Liability or obligation under an arrangement set forth in *Section 4.20(a)* of the Chucktaylor Disclosure Letter will be deemed to be an Employee-Related Liability, and (iv) Chuck and its Affiliates (for the avoidance of doubt, excluding

Victory and its Subsidiaries) will assume and retain all Liability with respect to the actions contemplated by the immediately preceding clauses (i) through (iii). Notwithstanding anything to the contrary contained in this Agreement, Chucktaylor will cause Chuck to take all action necessary to provide that Chuck will retain and be responsible for (A) all Liabilities in respect of Chucktaylor Compensation And Benefit Plans incurred prior to, on or following the Closing (including severance claims, claims under medical, life insurance and disability benefit plans and policies, workers' compensation claims and similar claims), (B) any Controlled Group Liability, and (C) all Liabilities relating to the employment or termination of employment or service by Chucktaylor, the Surviving Company or any of their respective Affiliates of any current or former employees or consultants of Chuck, Chucktaylor or any of their respective Affiliates.

4.21 Restructuring Transactions. Prior to the Effective Time, Chucktaylor will, and will cause the Chucktaylor Subsidiaries to, take the actions described on *Section 4.21* of the Chucktaylor Disclosure Letter (the "*Restructuring Transactions*"). Chucktaylor will consult with Victory regarding the manner and status of the implementation of the Restructuring Transactions and will provide Victory with copies of all agreements or other documents to be executed in connection with such transactions prior to such execution and will consider in good faith any comments made by Victory in respect of such documents.

4.22 ZYPS. The ZYPS outstanding as of the date of this Agreement will be repaid, redeemed, settled, released or cancelled in accordance with the terms thereof prior to the Effective Time, and no Person will have any right to redeem, convert or require the purchase of any ZYPS.

4.23 Payment and Releases. (a) Prior to the consummation of the Distribution or the Chuck Disposition, (i) Victory will pay to Subsidiaries of Chuck the amounts set forth on *Section 4.23(a)* of the Chucktaylor Disclosure Letter and (ii) Victory will, and Chucktaylor will cause Chuck to, execute and deliver a duly executed release, substantially in the form attached hereto as *Exhibit G-1*, pursuant to which Chuck and Victory release each other from and waive any claims in respect of the matters set forth on *Section 4.23(a)* of the Chucktaylor Disclosure Letter.

(b) Prior to the Effective Time, Victory and Chucktaylor will execute and deliver a duly executed release, substantially in the form attached hereto as *Exhibit G-2*, pursuant to which Victory will release Chucktaylor from and waive any claims in respect of the matters set forth on *Section 4.23(b)* of the Chucktaylor Disclosure Letter.

V. CONDITIONS

5.01 Joint Conditions. The respective obligation of Victory and Chucktaylor to effect the Merger is subject to the satisfaction at or prior to the Effective Time or waiver (to the extent permitted by Law) of the following conditions:

- (a) (i) there shall be no Law in effect that makes consummation of the Transactions illegal or otherwise prohibited or (ii) no Governmental Authority having competent jurisdiction shall have issued an Order or taken any other action restraining, enjoining or otherwise prohibiting any of the Transactions;
- (b) the Distribution or Chuck Disposition shall have occurred at least one day prior to the Closing Date;
- (c) the Chucktaylor Shareholder Approval shall have been obtained at the Chucktaylor Shareholder Meeting (including any postponement or adjournment thereof);
- (d) the Victory Stockholder Approval shall have been obtained at the Victory Stockholder Meeting (including any postponement or adjournment thereof);
- (e) the Victory Common Stock to be issued in the Merger shall have been authorized for listing on the NASDAQ, subject to notice of official issuance;

(f) the Victory Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order;

(g) neither Chucktaylor nor Victory shall have published a press release or made any other public statement to the effect that the Chucktaylor SEC Filings or financial statements contained therein or the Victory SEC Filings or financial statements contained therein, as applicable, may no longer be relied upon or that it or any Governmental Authority has commenced an investigation into the reliability or accuracy of any of its financial statements or otherwise to the extent material with respect to Chucktaylor or Victory, as the case may be; and

(h) the Escrow Agreement shall be in full force and effect and will be in a form and substance reasonably satisfactory to each of the Parties thereto.

5.02 Conditions To The Obligation Of Chucktaylor. The obligation of Chucktaylor to effect the Merger is subject to the satisfaction at or prior to the Effective Time of each of the following conditions (each of which is for the exclusive benefit of Chucktaylor and may be waived by Chucktaylor to the extent permitted by applicable Law):

(a) all covenants of Victory under this Agreement and the Other Transaction Agreements to be performed on or before the Closing shall have been duly performed by Victory in all material respects;

(b) the representations and warranties of Victory in this Agreement, which for purposes of this paragraph will be read as though none of them contain any materiality, Victory MAE or similar qualifications, shall be true and correct in all respects as of the Closing with the same effect as though made as of the Closing (except that any representation and warranty made as of a date other than the date of this Agreement will continue on the Closing Date to be true and correct in all respects as of the specified date), except where the failure of the representations and warranties to be true and correct in all respects would not in the aggregate be reasonably expected to result in a Victory MAE, and Chucktaylor shall have received a certificate of Victory addressed to Chucktaylor and dated as of the Closing Date, signed on behalf of Victory by an officer of Victory (on Victory's behalf and without personal liability), confirming the matters set forth in *Section 5.02(a)* and this *Section 5.02(b)*;

(c) Since the date of this Agreement, there shall have been no circumstance, change, development, condition or event that, individually or in the aggregate, has had or would reasonably be likely to have a Victory MAE;

(d) Victory shall have filed all periodic reports required to be filed by it with the Commission on a timely basis; and

(e) Chucktaylor shall have received from Weil, Gotshal & Manges LLP, counsel to Chucktaylor, on the Closing Date, a written opinion dated as of such date in form and substance reasonably satisfactory to Chucktaylor, to the effect that, for U.S. federal income tax purposes, the Merger should be treated as a reorganization qualifying under Section 368(a) of the Code. In rendering such opinion, counsel to Chucktaylor will be entitled to rely upon representations of officers of Chucktaylor and Victory in substantially the forms in *Section 4.17* of the Chucktaylor Disclosure Letter and *Section 4.17* of the Victory Disclosure Letter, respectively (allowing for such amendments to the representations as counsel to Chucktaylor deems necessary).

5.03 Conditions To The Obligation Of Victory. The obligation of Victory to effect the Merger is subject to the satisfaction of each of the following conditions (each of which is for the exclusive benefit of Victory and may be waived by Victory, to the extent permitted by applicable Law):

- (a) all covenants of Chucktaylor under this Agreement and the Other Transaction Agreements to be performed on or before the Closing Date shall have been duly performed by Chucktaylor in all material respects;
- (b) (i) the representations and warranties of Chucktaylor in *Section 2.04(d)* shall be true and correct in all respects as of the Closing Date with the same effect as if made on the Closing Date, (ii) all the other representations and warranties of Chucktaylor in this Agreement, which for purposes of this clause (ii) will be read as though none of them contain any materiality, Chucktaylor MAE or similar qualifications, shall be true and correct in all respects as of the Closing Date with the same effect as though made as of the Closing Date (except that any representation and warranty made as of a date other than the date of this Agreement will continue on the Closing Date to be true and correct in all respects as of the specified date), except where the failure of the representations and warranties to be true and correct in all respects would not, in the aggregate result in a Chucktaylor MAE, and (iii) Victory shall have received a certificate of Chucktaylor addressed to Victory, and dated as of the Closing Date, signed on behalf of Chucktaylor by an officer of Chucktaylor (on Chucktaylor's behalf and without personal liability), confirming the matters set forth in *Section 5.03(a)* and this *Section 5.03(b)*;
- (c) Victory shall have received (i) the Closing Date Positive Net Worth Statement confirming a Closing Date Positive Net Worth and (ii) a letter from Deloitte & Touche LLP providing comfort as to the methodologies used and calculated in the foregoing Closing Date Positive Net Worth Statement;
- (d) Since the date of this Agreement, there shall have been no circumstance, change, development, condition or event that, individually or in the aggregate, has had or would reasonably be likely to have a Chuck MAE or a Chucktaylor MAE;
- (e) Victory shall have been provided with copies of the written opinions as delivered to the board of directors of Chucktaylor, dated as of the date of the Chucktaylor board of directors approve the Distribution (or the Chuck Disposition, as applicable) and any opinions subsequently delivered to the board of directors of Chucktaylor from Chucktaylor's advisor with respect to the Solvency and capital adequacy of Chuck (or, if the Chuck Disposition has been consummated, of the Acquiror) and Chucktaylor;
- (f) the board of directors of Victory determines in good faith, after consulting with counsel (and consistent with the recommendation of the Special Committee), that there is no pending Action before any Governmental Authority (other than any pending or threatened Action instituted by or on behalf of any shareholder of Chucktaylor, Chuck or Victory resulting from or arising out of this Agreement, the Other Transaction Agreements, the Transactions, the Distribution Agreements or the Distribution) that, considering the merits of the claims, the available defenses (procedural and substantive) and the likelihood that the opposing parties will ultimately prevail, creates a Liability to Victory in excess of \$10 million or a Chucktaylor MAE (after taking into account the indemnification obligations under the Distribution Agreement and the Escrow Agreement);
- (g) Chucktaylor shall not have authorized or adopted, or publicly proposed, a plan of complete or partial liquidation or dissolution of itself;
- (h) Chucktaylor shall have filed all periodic reports required to be filed by it with the Commission on a timely basis;

- (i) If the Chuck Disposition is consummated, the Chuck Disposition Agreements shall incorporate all of the Chucktaylor Provisions;
- (j) Victory shall have received letters of resignation, effective as of the Closing Date, from each of the designees of Chucktaylor to the board of directors of Victory other than those designated by Cadian pursuant to the Cadian Agreement;
- (k) Victory shall have received from Jones Day, counsel to Victory, on the Closing Date, a written opinion dated as of such date in form and substance reasonably satisfactory to Victory, to the effect that, for U.S. federal income tax purposes, the Merger should be treated as a reorganization qualifying under Section 368(a) of the Code. In rendering such opinion, counsel to Victory will be entitled to rely upon representations of officers of Chucktaylor and Victory in substantially the forms in *Section 4.17* of the Chucktaylor Disclosure Letter and *Section 4.17* of the Victory Disclosure Letter, respectively (allowing for such amendments to the representations as counsel to Victory deems necessary); and
- (l) those audits described in *Section 2.10(b)* of the Chucktaylor Disclosure Letter shall have been resolved before the Closing Date.

5.04 Frustration Of Closing Conditions. None of the Parties will be entitled to rely on the failure of any condition set forth herein to be satisfied if such failure was primarily due to the failure of any such Party to perform its obligations under this Agreement.

VI. TERMINATION AND ABANDONMENT

6.01 Basis For Termination. This Agreement may be terminated and the Transactions abandoned at any time prior to the Closing Date:

- (a) by mutual written consent of Victory and Chucktaylor;
- (b) by either Victory or Chucktaylor:
 - (i) if, upon a vote at a duly held meeting of the Victory Stockholders to obtain the Victory Stockholder Approval or at any adjournment thereof, the Victory Stockholder Approval is not obtained;
 - (ii) if, upon a vote at a duly held meeting of the Chucktaylor Shareholders to obtain the Chucktaylor Shareholder Approval or at any adjournment thereof, the Chucktaylor Shareholder Approval is not obtained;
 - (iii) if, (A) upon a vote at a duly held meeting of the Chucktaylor Shareholders to obtain the Distribution Shareholder Approval or at any adjournment thereof, the Distribution Shareholder Approval is not obtained or, in the alternative, (B) upon a vote at a duly held meeting of the Chucktaylor Shareholders to obtain the Chuck Disposition Shareholder Approval or at any adjournment thereof, the Chuck Disposition Shareholder Approval is not obtained;
 - (iv) if the Distribution (or, in the alternative, the Chuck Disposition) does not occur on or prior to April 30, 2013;
 - (v) if the Closing does not occur on or prior to April 30, 2013; or
 - (vi) if (A) there is any Law that makes consummation of the Transactions illegal or otherwise prohibited or (B) any Governmental Authority having competent jurisdiction has issued an Order or taken any other action (which the terminating Party must have complied with its obligations hereunder to resist, resolve or lift) permanently restraining, enjoining or otherwise prohibiting any material component of the Transactions, and such Order or other action becomes final and non-appealable.

(c) by Victory:

(i) if Chucktaylor materially breaches any of its representations and warranties or covenants and agreements contained in this Agreement, which breach cannot be or has not been cured within 30 days after the giving of written notice to Chucktaylor of such breach, *provided* that any breach of *Section 4.10* of this Agreement will be deemed a material breach of this Agreement;

(ii) if any condition set forth in *Section 5.01* or *Section 5.03* becomes incapable of fulfillment, and has not been waived by Victory to the extent waivable under applicable law; *provided, however*, that in no event may Victory terminate this Agreement if a condition set forth in *Section 5.01* becomes incapable of fulfillment due to a material breach by Victory of any of its representations, warranties or covenants set forth in this Agreement;

(iii) if the board of directors of Chucktaylor withdraws, or modifies in a manner adverse to Victory or Merger Sub or publicly proposes to withdraw or modify in a manner adverse to Victory or Merger Sub, its approval or recommendation of this Agreement or any of the Transactions, fails to recommend, or continue to recommend, that the Chucktaylor Shareholders give the Chucktaylor Shareholder Approval and the Chucktaylor Shareholder Approval is not obtained at a meeting duly called and held for purposes of seeking the Chucktaylor Shareholder Approval, or approves or recommends, or proposes publicly to approve or recommend, any Qualifying Chucktaylor Takeover Proposal;

(iv) if Chucktaylor shall have published a press release or made any other public statement to the effect that the Chucktaylor SEC Filings or the Chucktaylor Financial Statements may no longer be relied upon or that it or any Governmental Authority has commenced an investigation into the reliability or accuracy of any of the Chucktaylor Financial Statements or otherwise to the extent material; or

(v) if Chucktaylor shall have not have filed after the date of this Agreement all periodic reports required to be filed by it with the Commission on a timely basis.

(d) by Chucktaylor:

(i) if Victory or Merger Sub materially breaches any of its representations and warranties or covenants and agreements contained in this Agreement, which breach cannot be or has not been cured within 30 days after the giving of written notice to Victory of such breach; *provided*, that any breach of *Section 4.11* of this Agreement will be deemed a material breach of this Agreement;

(ii) if any condition set forth in *Section 5.01* or *Section 5.02* become incapable of fulfillment, and has not been waived by Chucktaylor to the extent waivable under applicable law; *provided, however*, that in no event may Chucktaylor terminate this Agreement if a condition set forth in *Section 5.01* becomes incapable of fulfillment due to a material breach by Chucktaylor of any of its representations, warranties or covenants set forth in this Agreement;

(iii) if the Special Committee, withdraws, or modifies in a manner adverse to Chucktaylor or publicly proposes to withdraw or modify in a manner adverse to Chucktaylor, its recommendation of this Agreement or any of the Transactions, fails to recommend, or continue to recommend, that the Victory Stockholders vote in favor of the Transactions and the Victory Stockholder Approval is not obtained at a meeting duly called and held for purposes of seeking the Victory Stockholder Approval, or approves or recommends, or proposes publicly to approve or recommend, any Qualifying Victory Proposal;

(iv) if Victory shall have published a press release or made any other public statement to the effect that the Victory SEC Filings or the Victory Financial Statements may no longer be

relied upon or that it or any Governmental Authority has commenced an investigation into the reliability or accuracy of any of the Victory Financial Statements or otherwise to the extent material; or

(v) if Victory shall have not have filed after the date of this Agreement all periodic reports required to be filed by it with the Commission on a timely basis.

6.02 Effect Of Termination. (a) If this Agreement is terminated, the Transactions will terminate without further action by any Party, this Agreement will become void and of no further force and effect, except for the provisions of this *Section 6.02* and *Article VII* (other than *Section 7.12* which will terminate with the other provisions of this Agreement except as specifically provided herein) containing general provisions and the Parties will have the right and obligations set forth in the Governance and Repurchase Agreement. Nothing in this *Article VI* will be deemed to release any Party from any Liability for any knowing breach by such Party of any representation or warranty in this Agreement, or any deliberate breach of any covenant herein or therein, or to impair the right of any Party to compel specific performance by another Party of its obligations under this Agreement (whether or not the breach was willful or deliberate) that specifically survive such termination as set forth in the immediately preceding sentence. For the avoidance of doubt, receipt by Victory of a payment in accordance with the terms of *Section 6.02(b)* in circumstances in which Victory terminates this Agreement and receipt by Chucktaylor of a payment in accordance with the terms of *Section 6.02(c)* in circumstances in which Chucktaylor terminates this Agreement will be deemed to be liquidated damages for any and all losses or damages suffered or incurred by the terminating Party or any other Person in connection the matters forming the basis for such termination, and the terminating Party will not be entitled to bring or maintain further claim, action or proceeding against the other Party or any of its Affiliates arising out of such matters. For purposes of this *Section 6.02(a)*, (i) a "knowing" breach of a representation and warranty will be deemed to have occurred only if an executive officer of the Party alleged to have breached the representation or warranty had actual knowledge of such breach as of the date hereof (without any independent duty of investigation or verification other than that such executive officer has made inquiry that such representations and warranties were made in good faith), (ii) a "deliberate" breach of any covenant will be deemed to have occurred only if the Party allegedly breaching the covenant took or failed to take action with actual knowledge that the action so taken or omitted to be taken constituted a breach of such covenant, and (iii) the term "executive officer" will have the meaning given to the term "officer" in Rule 16a-1(f) under the Exchange Act.

(b) Chucktaylor will pay to Victory:

(i) the Certified Victory Expenses if Victory terminates this Agreement pursuant to:

(A) *Sections 6.01(c)(i), (iv) or (v)*; or

(B) *Section 6.01(c)(ii)* but solely as a result of a failure of any of the following Closing conditions becoming incapable of being fulfilled: *Sections 5.01(g)* (if based on Chucktaylor) or any condition set forth in *Section 5.03* other than *Section 5.03(f)*;

(ii) the Break-up Fee plus the Certified Victory Expenses if Victory terminates this Agreement pursuant to (A) *Section 6.01(c)(i)* as a result of a breach of *Section 4.10* or (B) *Section 6.01(c)(iii)*;

(c) Victory will pay to Chucktaylor:

(i) the Certified Chucktaylor Expenses if Chucktaylor terminates this Agreement pursuant to:

(A) *Sections 6.01(d)(i), (iv) or (v)*; or

(B) *Section 6.01(d)(ii)* but solely as a result of a failure of any of the Closing conditions in *Sections 5.01(g)* (if based on Victory) and *Section 5.02* becoming incapable of being fulfilled;

(ii) the Reverse Break-up Fee plus the Certified Chucktaylor Expenses if Chucktaylor terminates this Agreement pursuant to (A) *Section 6.01(d)* (i) as a result of a breach of *Section 4.11* or (B) *Section 6.01(d)(iii)*;

(d) Any fee due under *Sections 6.02(b)* or *(c)* will be paid promptly following termination of this Agreement by wire transfer of immediately available funds (to an account specified by Victory or Chucktaylor, as applicable). Upon payment of the termination fees in accordance with *Section 6.02(b)*, Chucktaylor will have no further Liability to Victory or Merger Sub at Law or in equity under this Agreement except as set forth in *Section 6.02(a)*, and upon payment of the termination fees in accordance with *Section 6.02(c)*, Victory and Merger Sub will have no further Liability to Chucktaylor at Law or in equity under this Agreement except as set forth in *Section 6.02(a)*.

VII. MISCELLANEOUS

7.01 *Nonsurvival Of Representations, Warranties And Agreements.* Except as provided in the next sentence, none of the representations, warranties and agreements in this Agreement will survive the Closing. Notwithstanding the preceding sentence, the covenants, representations and warranties of Chucktaylor (other than the representations contained in *Section 2.10(a)* through *(d)*, *(f)* through *(h)*, *(j)*, *(l)*, and *(n)*) will survive for a period of 18 months following the Closing in accordance with the Distribution Agreement and the Escrow Agreement.

7.02 *Expenses.* Except as otherwise provided in this Agreement or any of the Other Transaction Agreements, all fees and expenses incurred in connection with the Transactions will be paid by the Party incurring such fees or expenses. For the avoidance of doubt any fees, costs and expenses with respect to the issuance of the solvency opinions to be delivered pursuant to *Section 5.03(e)* will be borne solely by Chucktaylor and any such fees, costs and expenses will be fully paid by Chucktaylor immediately prior to the Effective Time.

7.03 *Entire Agreement.* This Agreement and the Other Transaction Agreements, including any related annexes, schedules and exhibits, as well as any other agreements and documents referred to herein and therein, will together constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and will supersede all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter, which is hereby terminated and of no further force or effect. If there is a conflict between any provision of this Agreement and a provision of the Other Transaction Agreements, the provision of this Agreement will control unless specifically provided otherwise in this Agreement.

7.04 *Governing Law; Jurisdiction; Waiver of Jury Trial.* (a) The validity, interpretation and enforcement of this Agreement will be governed by the Laws of the State of Delaware, other than any choice of Law provisions thereof that would cause the Laws of another state to apply.

(b) By execution and delivery of this Agreement, each Party irrevocably (i) submits and consents to the personal jurisdiction of the state and federal courts of the State of Delaware for itself and in respect of its property in the event that any dispute arises out of this Agreement or any of the Transactions, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) agrees that it will not bring any action relating to this Agreement or any of the Transactions in any other court. Each of the Parties irrevocably and unconditionally waives (and agrees not to plead or claim) any objection to the laying of venue of any dispute arising out of this Agreement or any of the Transactions in the state and federal courts of the State of Delaware, or that any such dispute brought in any such court has been brought in an inconvenient or improper forum. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court will constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS *SECTION 7.04(c)*.

7.05 Notices. All notices, requests, permissions, waivers and other communications hereunder will be in writing and will be deemed to have been duly given (a) five Business Days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by facsimile or email, provided that the facsimile or email transmission is promptly confirmed by telephone, (c) when delivered, if delivered personally to the intended recipient, and (d) one Business Day following sending by overnight delivery via a national courier service and, in each case, addressed to a Party at the following address for such Party:

(a) If to Victory or Merger Sub:

330 South Service Road
Melville, NY 11747
Attn: Chief Legal Officer
Facsimile: (631) 962-9623
Email: peter.fante@verint.com

with copies to (which will not constitute notice):

Jones Day
222 East 41st Street
New York, NY 10017
Attention: Randi C. Lesnick
Facsimile: (212) 755-7306
Email: rclesnick@jonesday.com

and

Loeb & Loeb LLP
345 Park Avenue
New York, New York 10154
Attn: David S. Schaefer
Facsimile: (212) 407-0947
Email: dschaefer@loeb.com

(b) If to Chucktaylor:

810 Seventh Avenue
New York, NY 10019
Attention: Shefali Shah
Facsimile: (212) 739-1094
Email: Shefali.Shah@cmvt.com

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

Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005
Attention: David E. Zeltner, Esq.
Facsimile: (212) 822-5003
Email: dzeltner@milbank.com

or to such other address(es) as will be furnished in writing by any such Party to the other Party in accordance with the provisions of this *Section 7.05*.

7.06 Amendments and Waivers. (a) This Agreement may be amended and any provision of this Agreement may be waived, provided that any such amendment or waiver will be binding upon a Party only if such amendment or waiver is set forth in a writing executed by such Party (and, in the case of Victory, with the approval of or by the Special Committee). No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder will affect or operate as a waiver thereof; nor will any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party would otherwise have. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or any such waiver of any provision of this Agreement must satisfy the conditions set forth in *Section 7.06(a)* and will be effective only to the extent in such writing specifically set forth.

7.07 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and does not confer on third parties any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement. Notwithstanding the foregoing, the current and former directors and officers of Chucktaylor, are intended to be conferred with the rights and remedies set forth in *Section 4.16* and will be express third party beneficiaries of *Section 4.16*.

7.08 Assignability. No Party may assign its rights or delegate its duties under this Agreement without the written consent of the other Parties. Except as provided in the preceding sentence, any attempted assignment or delegation will be void.

7.09 Construction. The descriptive headings herein are inserted for convenience of reference only and are not intended to be a substantive part of or to affect the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement, the Victory Disclosure Letter or Chucktaylor Disclosure Letter will include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs will include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. The use of the words "include" or "including" in this Agreement or the

Victory Disclosure Letter or Chucktaylor Disclosure Letter will be by way of example rather than by limitation. The use of the words "or," "either" or "any" will not be exclusive. The use of the words "deliver," "furnish," "made available" or "provide" will mean that, with respect to either Party, as the context requires, or its respective Representatives, that such documents or information referenced shall have been delivered to the other Party or its Representatives or contained in the electronic data room maintained by the Party delivering such information at least two Business Days prior to the date of this Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement and the Other Transaction Agreements. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Except as otherwise expressly provided elsewhere in this Agreement or any Other Transaction Agreement, any provision herein which contemplates the agreement, approval or consent of, or exercise of any right of, a Party, such Party may give or withhold such agreement, approval or consent, or exercise such right, in its sole and absolute discretion, the Parties hereby expressly disclaiming any implied duty of good faith and fair dealing or similar concept.

7.10 Severability. The Parties agree that (a) the provisions of this Agreement will be severable in the event that for any reason whatsoever any of the provisions hereof are invalid, void or otherwise unenforceable, (b) any such invalid, void or otherwise unenforceable provisions will be replaced by other provisions which are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable, and (c) the remaining provisions will remain valid and enforceable to the fullest extent permitted by applicable Law.

7.11 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party will re-execute original forms thereof and deliver them to the requesting Party. No Party will raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature was transmitted or communicated through the use of facsimile machine or other electronic means as a defense to the formation of a Contract and each such Party forever waives any such defense.

7.12 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at Law or in equity.

7.13 Disclosure Letters. There may be included in the Victory Disclosure Letter and/or the Chucktaylor Disclosure Letter items and information that are not "material," and such inclusion will not be deemed to be an acknowledgment or agreement that any such item or information (or any non-disclosed item or information of comparable or greater significance) is "material," or to affect the interpretation of such term for purposes of this Agreement. Matters reflected in the Victory Disclosure Letter and the Chucktaylor Disclosure Letter are not necessarily limited to matters required by this Agreement to be disclosed therein. The Victory Disclosure Letter and the Chucktaylor Disclosure Letter set forth items of disclosure with specific reference to the particular Section or subsection of this Agreement to which the information in the Victory Disclosure Letter and the Chucktaylor Disclosure Letter, as applicable, relates; *provided, however*, that any information set forth in one Section of such disclosure letter will be deemed to apply to each other Section or subsection thereof to which its relevance is reasonably apparent on its face.

VIII. DEFINITIONS

For purposes of this Agreement, the following terms, when utilized in a capitalized form, will have the following meanings:

"*Acquiror*" has the meaning set forth in *Section 4.10(f)*.

"*Action*" means any claim, action, suit, counter suit, hearing, written complaint or demand, litigation or proceeding of any nature whether administrative, civil, criminal, regulatory or otherwise, by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal, or, to the Knowledge of Chucktaylor, any investigation or audit by any such Governmental Authority.

"*Affiliate*" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; *provided, however*, that neither Victory nor its controlled Affiliates will be deemed to be an Affiliate of Chucktaylor for any purpose hereunder. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise.

"*Agreement*" has the meaning set forth in the preamble to this Agreement.

"*Approved Accounting Review Costs*" has the meaning set forth in *Section 4.03(b)*.

"*Assets*" means assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third-parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

"*Average Closing Price*" means the average (measured as a simple arithmetic mean) of the daily volume weighted averages of the trading prices of the Victory Common Stock on the NASDAQ Global Market, as reported as "VRNT" by Bloomberg L.P. (or any such equivalent calculation to which the Parties may agree in writing), for the 20 consecutive Trading Days ending on the second Trading Day immediately preceding the Closing Date; *provided, however*, that if an ex-dividend date is set for the Victory Common Stock during such period, then the trading price for a share of Victory Common Stock for each day during the portion of such period that precedes such ex-dividend date will be reduced by the amount of the dividend payable on a share of Victory Common Stock.

"*Break-Up Fee*" means \$10 million, in immediately available funds.

"*Business Day*" means any day that is not a Saturday, a Sunday or other day that is a statutory holiday under the federal Laws of the United States.

"*Cadian Agreement*" means the Letter Agreement, dated May 30, 2012, between Chucktaylor, Cadian Capital Management, LLC, Cadian Fund LP, Cadian Master Fund LP and Cadian GP LLC.

"*Cash Unit Consideration*" has the meaning set forth in *Section 1.12(c)*.

"*Certificate of Designation*" means the Certificate of Designation, Preferences and Rights of the Victory Preferred Stock, filed with the Secretary of State of the State of Delaware on May 25, 2007, as may be amended from time to time.

"*Certificates of Merger*" has the meaning set forth in *Section 1.02(b)*.

"*Certified Chucktaylor Expenses*" means Chucktaylor's third party out-of-pocket costs and expenses relating to this Agreement, the Other Transaction Agreements and the Transactions as certified to Victory by an executive officer of Chucktaylor.

"*Certified Victory Expenses*" means Victory's third party out-of-pocket costs and expenses relating to this Agreement, the Other Transaction Agreements and the Transactions as certified to Chucktaylor by an executive officer of Victory.

"*Chuck*" has the meaning set forth in the recitals to this Agreement.

"*Chuck Disposition*" has the meaning set forth in *Section 4.10(f)*.

"*Chuck Disposition Agreements*" means all Contracts, and any amendments thereto, entered into by Chuck or Chucktaylor in respect of a Chuck Disposition, which will contain all of the Chucktaylor Provisions.

"*Chuck Disposition Shareholder Approval*" has the meaning set forth in *Section 2.20(b)*.

"*Chuck Form 10*" has the meaning set forth in *Section 4.07*.

"*Chuck MAE*" means any circumstance, change, development, condition or event that has had or is reasonably likely to have, individually or in the aggregate, a material and adverse effect on the financial ability of Chuck or the Acquiror to promptly and fully satisfy any of its respective indemnity obligations in favor of Chucktaylor arising under any of the Distribution Agreements or the Chuck Disposition Agreements, as applicable.

"*Chucktaylor*" has the meaning set forth in the preamble to this Agreement.

"*Chucktaylor Cash Unit*" has the meaning set forth in *Section 1.12(c)*.

"*Chucktaylor Common Stock*" has the meaning set forth in *Section 2.04(a)*.

"*Chucktaylor Compensation And Benefit Plans*" has the meaning set forth in *Section 2.08(a)*.

"*Chucktaylor Contracts*" has the meaning set forth in *Section 2.07(a)*.

"*Chucktaylor Disclosure Letter*" means the disclosure letter delivered by Chucktaylor to Victory immediately prior to the execution of this Agreement.

"*Chucktaylor Equity Interests*" has the meaning set forth in *Section 2.04(a)*.

"*Chucktaylor Filings*" means, collectively, the Chuck Form 10, the Chucktaylor Proxy Statement and the Distribution Proxy Statement.

"*Chucktaylor Financial Statements*" has the meaning set forth in *Section 2.09(b)*.

"*Chucktaylor MAE*" means any circumstance, change, development, condition or event that with respect to Chucktaylor would or is reasonably likely to have, individually or in the aggregate, a material adverse effect on the Assets, business, financial condition or results of operations of Victory and its Subsidiaries, as determined immediately following the Effective Time; *provided* that any circumstance, change, development, condition or event that would, or would reasonably be likely to, result, individually or in the aggregate, in monetary damages or other quantifiable Liabilities (other than Liabilities to Victory or Chucktaylor that are subject to indemnification obligations under the Distribution Agreement and the Escrow Agreement) equal to \$10 million or more shall constitute a Chucktaylor MAE.

"*Chucktaylor Option*" has the meaning set forth in *Section 1.12(a)*.

"*Chucktaylor Provisions*" has the meaning set forth in *Section 4.14*.

"*Chucktaylor Proxy Statement*" has the meaning set forth in *Section 4.07*.

"*Chucktaylor SEC Filings*" has the meaning set forth in *Section 2.09(a)*.

"*Chucktaylor Shareholders*" means the holders of Chucktaylor Common Stock

"*Chucktaylor Shareholder Approval*" has the meaning set forth in *Section 2.14*.

"*Chucktaylor Shareholder Meeting*" has the meaning set forth in *Section 4.09*.

"*Chucktaylor Subsidiary*" means, at the time of determination each Subsidiary of Chucktaylor, other than Victory and its Subsidiaries.

"*Chucktaylor Superior Proposal*" has the meaning set forth in *Section 4.10(f)(ii)*.

"*Chucktaylor Unit*" has the meaning set forth in *Section 1.12(b)*.

"*Closing*" has the meaning set forth in *Section 1.01*.

"*Closing Date*" has the meaning set forth in *Section 1.01*.

"*Closing Date Positive Net Worth*" means that the Retained Assets shall exceed the Retained Liabilities by any amount.

"*Closing Date Positive Net Worth Statement*" has the meaning set forth in *Section 4.03(b)*.

"*Code*" means the Internal Revenue Code of 1986 (or any successor statute), as amended from time to time, and the Treasury Regulations promulgated thereunder.

"*Commission*" means the Securities and Exchange Commission.

"*Confidentiality Agreement*" means the written confidentiality agreement previously entered into by Victory and Chucktaylor and any amendments thereto.

"*Controlled Group Liability*" means any and all Liabilities (a) under Title IV of ERISA, (b) under Section 302 of ERISA, (c) under Sections 412 and 4971 of the Code, (d) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code, or (e) under corresponding or similar provisions of foreign Laws under any employee benefit plan of Chuck, Chucktaylor or any of their respective Affiliates.

"*Consent Decrees and Voluntary Agreements*" has the meaning set forth in *Section 2.06(b)*.

"*Consents*" means any consents, waivers or approvals from, or notification requirements to, or authorizations by, any third parties.

"*Contracts*" means any contract, agreement, lease, license, sales order, purchase order, instrument or other commitment, whether written or oral, that is binding on any Person or any part of its property.

"*DLLCA*" means the Limited Liability Company Act of the State of Delaware.

"*Distribution*" has the meaning set forth in the recitals to this Agreement.

"*Distribution Agreement*" means the agreement between Chucktaylor and Chuck in the form of *Exhibit C*.

"*Distribution Agreements*" means the Distribution Agreement, the Transition Services Agreement, the Tax Disaffiliation Agreement, the Employee Matters Agreement and, in each case, any amendments thereto.

"*Distribution Proxy Statement*" has the meaning set forth in *Section 4.07*.

"*Distribution Shareholder Approval*" has the meaning set forth in *Section 2.20(a)*.

"*Distribution Shareholder Meeting*" means a meeting of Chucktaylor Shareholders that Chucktaylor has duly called, given notice of, convened and held for the purpose of obtaining the Distribution Shareholder Approval.

"*Effective Time*" has the meaning set forth in *Section 1.02(b)*.

"*Employee Matters Agreement*" means the agreement between Chucktaylor and Chuck in the form of *Exhibit D*.

"*Employee-Related Liabilities*" has the meaning set forth in *Section 4.20(a)*.

"*Environmental Claim*" means any Action by any Person alleging Liability (including Liability for investigatory costs, cleanup costs, governmental response costs, natural resource damages, fines or penalties) for any Environmental Conditions.

"*Environmental Conditions*" means the presence in the environment, including the soil, groundwater, surface water or ambient air, of any Hazardous Materials at a level which exceeds any applicable standard or threshold under any Environmental Law or otherwise requires investigation or remediation (including investigation, study, health or risk assessment, monitoring, removal, treatment or transport) under any applicable Environmental Laws.

"*Environmental Laws*" means all Laws of any Governmental Authority that relate to the protection of the environment (including ambient air, surface water, ground water, land surface or subsurface strata) including Laws or any other binding legal obligation in effect now or in the future relating to the release of Hazardous Materials, or otherwise relating to the treatment, storage, disposal, transport or handling of Hazardous Materials, or to the exposure of any individual to a release of Hazardous Materials.

"*Enforceability Exception*" has the meaning set forth in *Section 2.02*.

"*Equity-Based Awards*" has the meaning set forth in *Section 3.04*.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended.

"*ERISA Affiliate*" means, with respect to an entity, any trade or business (whether or not incorporated) (a) under common control (within the meaning of Section 4001(b)(1) of ERISA) with such entity, or (b) which, together with such entity, is treated as a single employer under Section 414(t) of the Code.

"*Escrow Agreement*" has the meaning set forth in the recitals to this Agreement.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Exchange Agent*" has the meaning set forth in *Section 1.04*.

"*Exchange Fund*" has the meaning set forth in *Section 1.04*.

"*Exchange Ratio*" means the quotient obtained by dividing (a) the sum of (i) the number of Fully Diluted Chucktaylor Shares and (ii) the quotient obtained by dividing the Target Amount by the Average Closing Price and rounding to the nearest 1/10,000, by (b) the sum of (i) the number of shares of Chucktaylor Common Stock outstanding as of the Closing Date plus (ii) the number of Chucktaylor Units that will be canceled immediately prior to the Effective Time pursuant to *Section 1.12(b)*.

"*FIRPTA Certificate*" has the meaning set forth in *Section 4.18*.

"*Fully Diluted Chucktaylor Shares*" means (a) the number of shares of Victory Common Stock owned by Chucktaylor and outstanding as of the Closing, plus (b) the number of shares of Victory Common Stock obtained by multiplying (i) the number of shares of Victory Preferred Stock owned by Chucktaylor as of the Closing, by (ii) the quotient obtained by dividing the Liquidation Preference (as

defined in the Certificate of Designations) as of the Closing by \$32.66, plus (c) the number of shares of Victory Common Stock obtained by dividing the amount, if any, by which the Retained Assets exceed the Retained Liabilities immediately prior to the Effective Time (up to \$10 million), by the Average Closing Price.

"GAAP" means United States generally accepted accounting principles, as consistently applied by Victory and Chucktaylor, as applicable, in the preparation of its consolidated financial statements.

"Governance and Repurchase Agreement" has the meaning set forth in the recitals to this Agreement.

"Governmental Approvals" means any notices, reports or other filings to be made, or any Consents, registrations, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority or self-regulatory organization.

"Hazardous Materials" means chemicals, pollutants, contaminants, wastes, toxic substances, radioactive and biological materials, hazardous substances, petroleum and petroleum products or any fraction thereof, including such substances referred to by such terms as defined in any Environmental Laws.

"Indemnitees" has the meaning set forth in *Section 4.16(a)*.

"Intellectual Property" means, in any and all jurisdictions throughout the world, all (a) inventions and discoveries (whether or not patentable or reduced to practice), patents, patent applications, invention disclosures, and statutory invention registrations, including reissues, divisionals, continuations, continuations-in-part, extensions and reexaminations thereof, (b) trademarks, service marks, domain names, uniform resource locators, trade dress, slogans, logos, symbols, trade names, brand names and other identifiers of source or goodwill, including registrations and applications for registration thereof and including the goodwill symbolized thereby or associated therewith, (c) published and unpublished works of authorship, whether copyrightable or not (including computer software), copyrights therein and thereto, registrations, applications, renewals and extensions therefor, industrial designs, mask works, and any and all rights associated therewith, (d) trade secrets and all other proprietary Information (including know-how) and invention rights, and all rights to limit the use or disclosure thereof, (e) rights of privacy and publicity, and (f) any and all other intellectual property under the Laws of any country throughout the world.

"IRS" means the Internal Revenue Service.

"Known" or "Knowledge" means, in the case of Chucktaylor, the actual knowledge following reasonable inquiry of the persons listed in *Section 8.01* of the Chucktaylor Disclosure Letter as of the date of the representation, and, in the case of Victory, the actual knowledge following reasonable inquiry of the persons listed in *Section 8.01* of the Victory Disclosure Letter as of the date of the representation.

"Law" means any statute, law, ordinance, regulation, rule, code or other requirement of, or Order issued by, a Governmental Authority.

"Liabilities" means all debts, liabilities, guarantees, assurances, commitments and obligations, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including whether arising out of any Contract or tort based on negligence, strict liability or relating to Taxes payable by a Person in connection with compensatory payments to employees or independent contractors).

"*Measurement Date*" has the meaning set forth in *Section 3.04*.

"*Merger*" has the meaning set forth in *Section 1.02(a)*.

"*Merger Consideration*" has the meaning set forth in *Section 1.03(d)*.

"*Merger Sub*" has the meaning set forth in the preamble to this Agreement.

"*NASDAQ*" means The NASDAQ Stock Market.

"*NYBCL*" means the Business Corporation Law of the State of New York.

"*Option Consideration*" has the meaning set forth in *Section 1.12(a)*.

"*Order*" means any orders, judgments, injunctions, awards, decrees, writs or other legally enforceable requirement handed down, adopted or imposed by, including any consent decree, settlement agreement or similar written agreement with, any Governmental Authority.

"*Other Transaction Agreements*" means the Voting Agreement and the Governance and Repurchase Agreement.

"*Parties*" means Chucktaylor, Victory and Merger Sub.

"*Permits*" means all permits, approvals, licenses, authorizations, certificates, rights, exemptions and Orders from Governmental Authorities.

"*Permitted Encumbrances*" means (a) Security Interests for current Taxes not yet due and payable, or which are being contested in good faith through appropriate proceedings and for which adequate reserves have been made in accordance with GAAP or (b) any Security Interest created as a result of any action taken by or through Victory or its Subsidiaries.

"*Person*" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority.

"*Qualifying Chucktaylor Takeover Proposal*" has the meaning set forth in *Section 4.10(f)(i)*.

"*Qualifying Victory Proposal*" has the meaning set forth in *Section 4.11(f)(i)*.

"*Release*" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into surface water, groundwater, land surface or subsurface strata or ambient air (including the abandonment or discarding of barrels, containers and other closed receptacles containing any hazardous substance or pollutant or contaminant).

"*Representatives*" means with respect to any Person, such Person's officers, employees, agents, advisors, directors and other representatives.

"*Restructuring Transactions*" has the meaning set forth in *Section 4.21*.

"*Retained Assets*" means, as of the Closing Date, all unrestricted cash and cash equivalents of Chucktaylor.

"*Retained Deferred Tax Assets*" means, as of the Closing Date, all deferred Tax Assets of Chucktaylor of any nature, other than deferred Tax Assets directly related to net operating loss carryforwards, that are required to be reflected on a balance sheet prepared in accordance with GAAP, prior to reducing such deferred Tax Assets for any valuation allowance that is required to be reflected on a balance sheet prepared in accordance with GAAP.

"*Retained Deferred Tax Liabilities*" means, as of the Closing Date, all deferred Tax Liabilities of Chucktaylor of any nature, other than any deferred Tax Liability associated with Chucktaylor's investment in Victory. The term Retained Deferred Tax Liabilities, shall not include (i) any Tax

Liability resulting from Chucktaylor's disposition of Victory Preferred Stock and/or Victory Common Stock and (ii) Tax Liabilities related to Tax contingencies or Tax exposures booked pursuant to FASB Interpretation No. 48, Accounting Standards Codification 740-10 or any other similar provision that are required to be reflected or reserved against on a balance sheet prepared in accordance with GAAP.

"Retained Liabilities" means as of the Closing Date, the sum, without duplication, of (a) all Liabilities, obligations or commitments of Chucktaylor of any nature that are required to be reflected or reserved against on a balance sheet prepared in accordance with GAAP other than (i) Retained Deferred Tax Liabilities, (ii) Tax Liabilities and (iii) Tax contingencies and Tax exposures booked pursuant to FASB Interpretation No. 48, Accounting Standards Codification 740-10 or any other similar provision, plus (b) all Employee-Related Liabilities, plus (c) the Victory Disposition Tax, plus (d) the amount, if any, by which the Retained Deferred Tax Liabilities exceeds the Retained Deferred Tax Assets by more than \$1,000,000, plus (e) the excess, if any, of the current Tax Liabilities not subject to indemnification by Chuck pursuant to the Tax Disaffiliation Agreement over current Tax Assets not refundable to Chuck pursuant to the Tax Disaffiliation Agreement, minus (f) the excess, if any, of the current Tax Assets not refundable to Chuck pursuant to the Tax Disaffiliation Agreement over current Tax Liabilities not subject to indemnification by Chuck pursuant to the Tax Disaffiliation Agreement, minus (g) 50% of the Approved Accounting Review Costs. For the avoidance of doubt, Tax Liabilities subject to indemnification by Chuck pursuant to the Tax Disaffiliation Agreement and Tax Assets refundable to Chuck pursuant to the Tax Disaffiliation Agreement shall, in all cases, be excluded from the calculation of Retained Liabilities.

"Retained Tax Assets" means, as of the Closing Date, all Tax Assets of Chucktaylor of any nature, other than Tax Assets directly related to net operating loss carryforwards, that are required to be reflected on a balance sheet prepared in accordance with GAAP, prior to reducing such Tax Assets for any valuation allowance that is required to be reflected on a balance sheet prepared in accordance with GAAP.

"Retained Tax Liabilities" means, as of the Closing Date, all Tax Liabilities of Chucktaylor of any nature, other than (a) Tax Liabilities related to Tax contingencies or Tax exposures booked pursuant to FASB Interpretation No. 48, Accounting Standards Codification 740-10 or any other similar provision, (b) any Tax Liability associated with Chucktaylor's investment in Victory and (c) any Tax Liability resulting from Chucktaylor's disposition of Victory Preferred Stock and/or Victory Common Stock that are required to be reflected or reserved against on a balance sheet prepared in accordance with GAAP.

"Reverse Break-Up Fee" means \$10 million, in immediately available funds.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, indenture, right to acquire, right of first refusal, deed of trust, licenses to third parties, leases to third parties, security agreements, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance and other restrictions or limitations on use of real or personal property of any nature whatsoever.

"Special Committee" has the meaning set forth in the recitals to this Agreement.

"Solvent" when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "fair saleable value" of the assets of such person will, as of such date, exceed (i) the value of all "liabilities of such person, including contingent and other liabilities," as of such date, as such quoted terms are generally determined in accordance with applicable federal Laws governing determinations of the insolvency of debtors and (ii) the amount that will be required to pay the probable liabilities of such Person on its existing debts (including contingent liabilities) as such debts become absolute and matured, (b) such Person will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged

following such date, and (c) such Person will be able to pay its liabilities, including contingent and other liabilities, as they mature.

"SOX" has the meaning set forth in *Section 2.09(a)*.

"*Subsidiary*" of any Person means another Person (other than a natural Person), of which such Person owns directly or indirectly (a) an aggregate amount of the voting securities, other voting ownership or voting partnership interests to elect at least a majority of the Board of Directors or other governing body or, (b) if there are no such voting interests, 50% or more of the equity interests therein; *provided, however*, that neither Victory nor its Subsidiaries will be deemed to be a Subsidiary of Chucktaylor for any purpose hereunder.

"*Surviving Company*" has the meaning set forth in *Section 1.02(a)*.

"*Takeover Statute*" has the meaning set forth in *Section 4.03(d)*.

"*Target Amount*" means (a) \$25 million if the Distribution or the Chuck Disposition occurs on or prior to October 31, 2012, (b) \$15 million if the Distribution or the Chuck Disposition occurs after October 31, 2012 and on or prior to January 31, 2013, (c) \$5 million if the Distribution or the Chuck Disposition occurs after January 31, 2013 and on or prior to April 30, 2013, and (d) notwithstanding the foregoing clauses (a)-(c), \$0.00 if, as of immediately prior to the Effective Time, Chucktaylor is the beneficial owner (as defined in Rule 13d-3 under the Exchange Act and on an as exercised and fully diluted basis) of less than 50% of all Voting Securities (on an as exercised and fully diluted basis), unless such reduction in Chucktaylor's beneficial ownership of Voting Securities is directly caused by the issuance of Voting Securities by Victory after the date of this Agreement.

"*Tax*" or "*Taxes*" means (a) all forms of taxation, whenever created or imposed, and whether of the United States or elsewhere, and whether imposed by a federal, state, municipal, governmental, territorial, local, foreign or other body, and without limiting the generality of the foregoing, shall include net income, gross income, gross receipts, sales, use, value added, ad valorem, transfer, recording, franchise, profits, license, lease, service, service use, payroll, wage, withholding, employment, unemployment insurance, workers compensation, social security, excise, severance, stamp, business license, escheat, business organization, occupation, premium, property, environmental, windfall profits, customs, duties, alternative minimum, estimated or other taxes, fees, premiums, assessments or charges of any kind whatever assessed, collected, imposed or administered by any Tax Authority, together with any related interest and any penalties, additions to such tax or additional amounts imposed with respect thereto by such Tax Authority, (b) any Liability for the payment of any amounts of the type described in clause (a) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (c) any Liability for the payment of any amounts of the type described in clause (a) or (b) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

"*Tax Authority*" means the IRS or any Governmental Authority responsible for the assessment, collection, imposition or administration of any Taxes.

"*Tax Disaffiliation Agreement*" means the Tax Disaffiliation Agreement, between Chucktaylor and Chuck, in substantially the form of *Exhibit E*.

"*Tax Returns*" means all reports, returns, filings, declaration forms, claims for refunds and statements filed or required to be filed with respect to Taxes, including any amendments thereto (whether on a separate, consolidated or unitary basis).

"*Trading Day*" means any day on which there are sales of Victory Common Stock on the NASDAQ composite tape.

"*Transactions*" means the Merger and the other transactions contemplated by this Agreement and the Other Transaction Agreements.

"*Transition Services Agreement*" means the Transition Services Agreement between Chucktaylor and Chuck, in substantially the form of *Exhibit F*.

"*Treasury Regulations*" means the regulations promulgated under the Code by the U.S. Department of the Treasury.

"*Unit Consideration*" has the meaning set forth in *Section 1.12(b)*.

"*Victory*" has the meaning set forth in the preamble to this Agreement.

"*Victory Accounting Obligations*" means the obligation of Victory under relevant accounting guidance to account for the Merger in a manner that would require Victory to replace Victory's consolidated historical financial statements with the consolidated financial statements of Chucktaylor in filings with the Commission following the Closing.

"*Victory Common Stock*" has the meaning set forth in *Section 3.04*.

"*Victory Disclosure Letter*" means the disclosure letter delivered by Victory to Chucktaylor immediately prior to the execution of this Agreement.

"*Victory Disposition Tax*" means an amount equal to 35% of any gain recognized by Chucktaylor on the sale of Victory Preferred Stock and/or Victory Common Stock.

"*Victory Equity Interests*" has the meaning set forth in *Section 3.04*.

"*Victory Filings*" means, collectively, the Victory Proxy Statement and the Victory Form S-4.

"*Victory Financial Statements*" has the meaning set forth in *Section 3.07(b)*.

"*Victory Form S-4*" has the meaning set forth in *Section 4.07*.

"*Victory MAE*" means any circumstance, change, development, condition or event that, individually or in the aggregate, has a material adverse effect on the Assets, business, financial condition or results of operations of Victory and its Subsidiaries taken as a whole or materially impairs, prevents or delays the ability of Victory to consummate the Merger and the other Transactions to be performed or consummated by Victory pursuant to this Agreement; *provided, however*, that any such effect resulting or arising from or relating to any of the following matters will not be considered when determining whether a Victory MAE has occurred or would reasonably be expected to occur: (i) any conditions in the industry in which Victory competes in general; (ii) any conditions in the United States general economy or the general economy in other geographic areas in which Victory operates; (iii) political conditions, including acts of war (whether or not declared), armed hostilities and terrorism, or developments or changes therein; (iv) any conditions resulting from natural disasters; (v) compliance by Victory and Merger Sub with their respective covenants in this Agreement; (vi) the failure of the financial or operating performance of Victory to meet internal forecasts or budgets for any period prior to, on or after the date of this Agreement (but the underlying reason for the failure to meet such forecasts or budgets may be considered); (vii) any action taken or omitted to be taken by or at the request or with the consent of Chucktaylor; (viii) effects or conditions resulting from the announcement of this Agreement or the Transactions; (ix) changes in Laws or accounting principles; or (x) changes in the trading price or trading volume of Victory Common Stock (but the underlying reason for such changes may be considered); *provided, further*, that with respect to clauses (i), (ii), (iii), (iv) or (ix), such matter will be considered to the extent that it disproportionately affects Victory as compared to similarly situated businesses operating in the same industry and geographic areas as Victory operates.

"*Victory Material Contracts*" means each Contract that Victory would be required to be filed as an exhibit to an Annual Report on Form 10-K under the Exchange Act if such report was filed by Victory with the Commission on the date hereof.

"*Victory Options*" has the meaning set forth in *Section 3.04*.

"*Victory Preferred Stock*" has the meaning set forth in *Section 3.04*.

"*Victory Proxy Statement*" has the meaning set forth in *Section 4.07*.

"*Victory SEC Filings*" has the meaning set forth in *Section 3.07(a)*.

"*Victory Stockholder Approval*" has the meaning set forth in *Section 3.11(a)*.

"*Victory Stockholder Meeting*" has the meaning set forth in *Section 4.08*.

"*Victory Stockholders*" means the holders of Victory Common Stock.

"*Victory Stock Issuance*" has the meaning set forth in *Section 1.03(d)*.

"*Victory Superior Proposal*" has the meaning set forth in *Section 4.11(f)(ii)*.

"*Voting Agreement*" has the meaning set forth in the recitals to this Agreement.

"*Voting Securities*" means any and all shares of capital stock of Victory and securities issued in respect thereof that are entitled to vote generally in the election of directors, including the Victory Common Stock and the Victory Preferred Stock.

"*ZYPS*" means, collectively, the Zero Yield Puttable Securities due May 15, 2023, issued by Chucktaylor pursuant to the indenture dated as of May 7, 2003 between Chucktaylor and JPMorgan Chase Bank, N.A. and the New Zero Yield Puttable Securities due May 15, 2023, issued by Chucktaylor pursuant to the indenture dated as of January 26, 2005 between Chucktaylor and JPMorgan Chase Bank, N.A.

[Signature Page Follows]

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

VERINT SYSTEMS INC.

By: /s/ Dan Bodner

Name: Dan Bodner

Title: President and Chief Executive Officer

COMVERSE TECHNOLOGY, INC.

By: /s/ Charles J. Burdick

Name: Charles J. Burdick

Title: Chief Executive Officer

VICTORY ACQUISITION I LLC

By: /s/ Peter Fante

Name: Peter Fante

Title: Vice President and Secretary

[Signature Page to the Agreement and Plan of Merger]

QuickLinks

[Exhibit 2.1](#)

[AGREEMENT AND PLAN OF MERGER among VERINT SYSTEMS INC., COMVERSE TECHNOLOGY, INC. and VICTORY ACQUISITION I LLC dated as of August 12, 2012](#)

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VOTING AGREEMENT

among

COMVERSE TECHNOLOGY, INC.,

VERINT SYSTEMS INC.

and

VICTORY ACQUISITION I LLC

dated as of

August 12, 2012

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VOTING AGREEMENT

This Voting Agreement (this "Agreement"), dated as of August 12, 2012, is by and among Converse Technology, Inc. a New York corporation ("Chucktaylor"), Verint Systems Inc., a Delaware corporation ("Victory"), and Victory Acquisition I LLC, a Delaware limited liability company and wholly owned subsidiary of Victory ("Merger Sub").

RECITALS

1. Concurrently with the execution of this Agreement, Chucktaylor, Victory and Merger Sub are entering into an Agreement and Plan of Merger of even date herewith (as such agreement may hereafter be amended from time to time, the "Merger Agreement") which provides for the merger of Chucktaylor with and into Merger Sub (the "Merger"). Following the Merger, Merger Sub will continue as the surviving company. In the Merger, (a) the shares of common stock of Chucktaylor, par value \$0.10 per share ("Chucktaylor Common Stock"), will automatically be converted into the right to receive shares of common stock of Victory, par value \$0.001 per share ("Victory Common Stock") and (b) the Victory Common Stock and Victory Preferred Stock owned by Chucktaylor immediately prior to the Merger will be cancelled, in each case, on the terms and subject to the conditions of the Merger Agreement;
2. As of the date hereof, Chucktaylor is the record owner and beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended, which meaning will apply for all uses of the term "beneficial owner" or "beneficially owned" in this Agreement) with respect to, in the aggregate, 16,289,023 shares of Victory Common Stock and beneficially owns an additional 10,988,036 shares of Victory Common Stock issuable upon conversion of its 293,000 shares of Victory Preferred Stock (on an as-converted basis); and
3. Chucktaylor is entering into this Agreement as a material inducement and consideration to Victory to enter into the Merger Agreement.

Accordingly, each of the Parties hereby agrees as follows:

I. AGREEMENT TO VOTE

1.1 Voting Agreement. (a) Chucktaylor hereby covenants and agrees that, prior to the Expiration Date, at any meeting (whether annual or special and whether or not an adjourned or postponed meeting) of the stockholders of Victory, however called, unless otherwise directed in writing by Victory (with the approval of the Special Committee), Chucktaylor will appear at the meeting or otherwise cause the Shares to be counted as present thereat for purposes of establishing a quorum and to vote or cause the Shares to be voted (i) in favor of (A) the issuance of Victory Common Stock pursuant to the Merger, (B) the adoption of the Merger Agreement, (C) authorizing the

Transactions, and (D) to the extent that a vote is solicited in connection with this Agreement or the Merger Agreement, any other action required in furtherance hereof or thereof and (ii) against any action that would preclude fulfillment of a condition precedent under the Merger Agreement to Victory's, Chucktaylor's or Merger Sub's obligation to consummate the Merger or the other Transactions.

(b) Prior to the Expiration Date, Chucktaylor will not enter into any agreement or understanding with any person to vote or give instructions in any manner inconsistent with any provision of this Section 1.1. This Agreement is intended to bind Chucktaylor only with respect to the specific matters set forth herein.

1.2 Irrevocable Proxy. Chucktaylor hereby irrevocably grants to and appoints Peter Fante and Dan Bodner, in their respective capacities as officers of Victory, and any individual who shall hereafter succeed to any such office of Victory, and each of them individually, Chucktaylor's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of Chucktaylor, to represent, vote and otherwise act (by voting at any meeting of stockholders of Victory) with respect to the Shares owned or held by Chucktaylor regarding the matters referred to in Section 1.1(a) hereof until the Expiration Date, to the same extent and with the same effect as Chucktaylor might or could do under applicable law, rules and regulations. The proxy granted pursuant to this Section 1.2 is coupled with an interest and shall be irrevocable until the Expiration Date. Chucktaylor will take such further action and will execute such other instruments as may be necessary to effectuate the intent of this proxy. Chucktaylor hereby revokes any and all previous proxies or powers of attorney granted with respect to any of the Shares that may have heretofore been appointed or granted with respect to the matters referred to in Section 1.1(a) hereof and no subsequent proxy (whether revocable or irrevocable) or power of attorney shall be given by Chucktaylor.

1.3 Transfer and Other Restrictions. (a) From and after the date hereof until the termination of this Agreement, Chucktaylor agrees not to, directly or indirectly:

(i) grant any proxy, power of attorney, deposit any Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares except as provided in this Agreement; or

(ii) take any other action that would make any representation or warranty of Chucktaylor contained herein untrue or incorrect or, except as permitted by the Merger Agreement, have the effect of preventing or disabling Chucktaylor from performing its obligations under this Agreement.

(b) To the extent that Chucktaylor is, as of the date hereof or becomes, prior to the Expiration Date, party to a contract or agreement that requires Chucktaylor to Transfer any Shares to another person or entity, Chucktaylor will not effect any such Transfer unless, prior to such Transfer, Chucktaylor causes the transferee to be bound by and to execute an agreement in the form of this Agreement with respect to the Shares to be Transferred.

(c) Chucktaylor agrees with, and covenants to, Victory that Chucktaylor will not request that Victory register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any Shares, unless such transfer complies with Section 1.3(b).

(d) Victory acknowledges that Chucktaylor is party to the Cadian Agreement and no action taken in accordance with the requirements thereby shall constitute a violation of this Agreement.

II. WAIVERS

2.1 No Appraisal Rights. Chucktaylor agrees not to exercise any rights of appraisal and any dissenters' rights that Chucktaylor may have (whether under applicable Law or otherwise) or could potentially have or acquire in connection with the Merger or any proposal that is necessary or desirable to consummate the Merger.

2.2 No Duty or Liability. The Parties hereto acknowledge and agree that none of Victory, Merger Sub or their respective successors, assigns, affiliates, employees, officers, directors, shareholders, agents or other Representatives will owe any duty to, whether in Law or otherwise, or incur any liability of any kind whatsoever, including without limitation, with respect to any and all claims, losses, demands, causes of action, costs, expenses (including attorney's fees) and compensation of any kind or nature whatsoever to Chucktaylor in connection with or as a result of any voting by Chucktaylor of the Shares as contemplated hereby.

2.3 Shareholder Suits. Chucktaylor agrees not to commence or join in, and agrees to take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Victory, Merger Sub or any of their respective successors or assigns (a) challenging the validity of, or seeking to enjoin the operation of, any provision of this Agreement, or (b) alleging a breach of any fiduciary duty of any Person in connection with the negotiation and entry into the Merger Agreement or the consummation of the Transactions contemplated thereby. Nothing contained in this Section shall affect or impair any rights or remedies in respect of any breach by Victory of the Merger Agreement or the Other Transaction Documents.

III. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CHUCKTAYLOR

Chucktaylor hereby represents, warrants and covenants to Victory as follows:

3.1 Authority, Enforceability. Chucktaylor has the legal capacity and the power and authority to enter into, execute, deliver and perform Chucktaylor's obligations under this Agreement and to make the representations, warranties and covenants made by Chucktaylor herein. This Agreement has been duly executed and delivered by Chucktaylor and constitutes a valid and binding obligation of Chucktaylor, enforceable against Chucktaylor in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Law affecting the enforcement of creditors' rights generally and by general equitable principles.

3.2 No Conflicts, No Defaults And Consents. The execution and delivery of this Agreement by Chucktaylor does not, and the performance of this Agreement by Chucktaylor will not: (i) conflict with or violate any order, decree or judgment applicable to Chucktaylor or by which Chucktaylor or any of Chucktaylor's properties, including the Shares, is bound or affected, (ii) conflict with or violate any agreement to which Chucktaylor is a party or is subject, including, without limitation, any voting agreement or voting trust, (iii) result in any breach of or constitute a default (with notice or lapse of time, or both) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Security Interest in or to the Shares, pursuant to any Contract to which Chucktaylor is a party or by which Chucktaylor or any of the Shares is bound or affected, (iv) require any Contract of any third party, (v) require Chucktaylor to make any filing with or give any notice to, or obtain any approval, consent, ratification, waiver or other authorization from, any Person or any Governmental Authority in connection with the execution and delivery of this Agreement or the consummation or performance of the transactions contemplated hereby, except for filings with the Securities and Exchange Commission or stock exchange required disclosures as may be required in connection with this Agreement and the transactions contemplated hereby, or (vi) constitute a violation of any Law applicable to Chucktaylor, or (vii) render any state takeover statute or similar statute or regulation applicable to the Merger or any of the other Transactions, excluding in cases of clauses (i), (ii), (iii), (iv) and (v) above, conflicts, violations, breaches, defaults, rights, creations of any material Security Interest, Contracts, filings, notices, approvals, consents, ratifications, waivers, or other authorizations that would not reasonably be expected to constitute, individually or in the aggregate, a Chucktaylor MAE (as defined in the Merger Agreement).

3.3 Shares Owned; Voting Power. As of the date hereof, Chucktaylor is the record owner and beneficial owner, with respect to, in the aggregate, 16,289,023 shares of Victory Common Stock, and does not beneficially own or otherwise have the power to direct the voting with respect to, any shares of capital stock of Victory, other than such Shares and 293,000 shares of Victory Preferred Stock convertible into 10,988,036 shares of Victory Common Stock. Chucktaylor has the sole voting power and sole power to issue instructions with respect to the matters set forth in this Agreement, sole power of disposition with respect to the dispositions contemplated by this Agreement and sole power to agree to all of the matters set forth in this Agreement, in each case, with respect to all of the Shares, with not material limitations, qualifications or restrictions on such rights, subject only to applicable securities laws and the terms of this Agreement.

3.4 Accuracy of Representations; Reliance by Victory. The representations and warranties contained in this Agreement are accurate in all respects as of the date of this Agreement, will be accurate in all respects at all times through the Expiration Date and will be accurate in all respects as of the Effective Time of the Merger as if made on that date. Chucktaylor understands and acknowledges that Victory is entering into the Merger Agreement in reliance upon Chucktaylor's execution and delivery of this Agreement.

3.5 Further Assurances. Chucktaylor agrees to execute and deliver any additional documents reasonably necessary or desirable, to carry out the purposes and intent of this Agreement.

3.6 Stockholder Capacity. Chucktaylor enters into this Agreement solely in its capacity as the record and beneficial owner of the Shares. Nothing contained in this Agreement will limit the rights and obligations of Chucktaylor, any affiliates, directors, officers or other Representatives of Chucktaylor or Victory in his or her capacity as a director or officer of Chucktaylor or Victory, and the agreements set forth herein will in no way restrict any director or officer of Chucktaylor or Victory in the exercise of his or her fiduciary duties as a director or officer of Chucktaylor or Victory.

3.7 Limited Proxy. Except as set forth in the Governance and Repurchase Agreement, Chucktaylor will retain at all times the right to vote the Shares, in Chucktaylor's sole discretion, on all matters other than those set forth in Section 1.1 which are at any time or from time to time presented to Victory's Stockholders generally.

3.8 Acknowledgement. Chucktaylor understands and acknowledges that each of Victory and Merger Sub is entering into the Merger Agreement in reliance upon Chucktaylor's execution, delivery and performance of this Agreement.

3.9 Notification of Acquisition of Shares. Chucktaylor hereby agrees to promptly notify Victory in writing of the number of any additional shares of Victory Common Stock or other shares of capital stock of Victory acquired by Chucktaylor or of which Chucktaylor becomes the beneficial owner, if any, after the date hereof.

3.10 Additional Agreements. Chucktaylor hereby agrees, prior to the Expiration Date, not to take any action that would make any representation or warranty of Chucktaylor contained herein untrue or incorrect in any material respect or would reasonably be expected to have the effect of preventing, impeding or interfering with or adversely affecting the performance by Chucktaylor of its obligations under or contemplated by this Agreement.

IV. MISCELLANEOUS

4.1 Severability. The Parties agree that (a) the provisions of this Agreement will be severable in the event that for any reason whatsoever any of the provisions hereof are invalid, void or otherwise unenforceable, (b) any such invalid, void or otherwise unenforceable provisions will be replaced by other provisions which are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable, and (c) the remaining provisions will remain valid and enforceable to the fullest extent permitted by applicable Law.

4.2 Amendments and Waivers. (a) This Agreement may be amended and any provision of this Agreement may be waived, provided that any such amendment or waiver will be binding upon a Party only if such amendment or waiver is set forth in a writing executed by such Party (and, in the case of Victory, with the approval of or by the Special Committee). No course of dealing between or among any Persons having

any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder will affect or operate as a waiver thereof; nor will any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party hereto would otherwise have. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or any such waiver of any provision of this Agreement must satisfy the conditions set forth in Section 4.2(a) and will be effective only to the extent in such writing specifically set forth.

4.3 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and does not confer on third parties any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

4.4 Entire Agreement. This Agreement, together with the Merger Agreement and the Other Transaction Agreements, constitutes the entire agreement between the Parties with respect to the subject matter hereof and thereof and will supersede all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter.

4.5 Assignment. Other than as expressly provided herein, no Party may assign its rights or delegate its duties under this Agreement without the written consent of the other Parties. Except as provided in the preceding sentence, any attempted assignment or delegation will be void.

4.6 Governing Law; Jurisdiction; Waiver of Jury Trial. (a) The validity, interpretation and enforcement of this Agreement will be governed by the Laws of the State of Delaware, other than any choice of Law provisions thereof that would cause the Laws of another state to apply.

(b) By execution and delivery of this Agreement, each Party irrevocably (i) submits and consents to the personal jurisdiction of the state and federal courts of the State of Delaware for itself and in respect of its property in the event that any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any other court. Each of the Parties irrevocably and unconditionally waives (and agrees not to plead or claim) any objection to the laying of venue of any dispute arising out of this Agreement or any of the Transactions in the state and federal courts of the State of Delaware, or that any such dispute brought in any such court has

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been brought in an inconvenient or improper forum. The Parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court will constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.6.

4.7 Notices. All notices, requests, permissions, waivers and other communications hereunder must be in writing and delivered in accordance with Section 7.05 of the Merger Agreement.

4.8 Specific Performance. The Parties hereby acknowledge and agree that the failure of any Party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part to the consummation of the Transactions, will cause irreparable injury to the other Parties for which damages, even if available, will not be an adequate remedy. Accordingly, each Party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such Party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder.

4.9 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party will re-execute original forms thereof and deliver them to the requesting Party. No Party will raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature was transmitted or communicated through the use of

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facsimile machine or other electronic means as a defense to the formation of a Contract and each such Party forever waives any such defense.

4.10 Interpretation. The descriptive headings herein are inserted for convenience of reference only and are not intended to be a substantive part of or to affect the meaning or interpretation of this Agreement. The use of the words “include” or “including” in this Agreement will be by way of example rather than by limitation. The use of the words “or,” “either” or “any” will not be exclusive. The Parties have participated collectively in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

4.11 Termination. This Agreement will be terminated and will be of no further force and effect upon the Expiration Date.

4.12 Fees And Expenses. All costs and expenses incurred in connection with this Agreement will be paid by the Party incurring such expenses.

4.13 Nonsurvival Of Representations And Warranties. None of the representations and warranties in this Agreement or in any exhibit, instrument or other document delivered pursuant to this Agreement will survive the Expiration Date; provided, however, that the termination of this Agreement will not relieve any Party from any liability for any breach of this Agreement that has occurred prior to the termination of this Agreement as provided for in Section 4.11.

4.14 Legends. Any stock certificates representing the Shares will at the request of Victory reflect this Agreement and, if applicable, the irrevocable proxy granted by this Agreement.

V. DEFINITIONS

For purposes of this Agreement, the following terms, when utilized in a capitalized form, will have the following meanings:

“Agreement” has the meaning set forth in the preamble.

“Cadian Agreement” means that certain Letter Agreement, dated May 30, 2012, among Chucktaylor, Cadian Capital Management, LLC, Cadian Fund LP, Cadian Master Fund LP and Cadian GP LLC.

“Contract” has the meaning given to such term in the Merger Agreement.

“Effective Time” has the meaning given to such term in the Merger Agreement.

“Expiration Date” means the earlier to occur of (a) the Effective Time and (b) the termination of the Merger Agreement in accordance with its terms.

“Chucktaylor” has the meaning set forth in the preamble to this Agreement.

“Chucktaylor Common Stock” has the meaning set forth in the recitals to this Agreement.

“Governance and Repurchase Agreement” has the meaning given to such term in the Merger Agreement.

“Law” has the meaning given to such term in the Merger Agreement.

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

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

“Merger Sub” has the meaning set forth in the preamble to this Agreement.

“Other Transaction Agreements” has the meaning given to such term in the Merger Agreement.

“Parties” means Chucktaylor, Victory and Merger Sub.

“Person” has the meaning given to such term in the Merger Agreement.

“Representatives” has the meaning given to such term in the Merger Agreement.

“Security Interest” has the meaning given to such term in the Merger Agreement.

“Shares” means all issued and outstanding shares of Victory Common Stock beneficially owned by Chucktaylor on the date hereof and any such shares Chucktaylor becomes the record or beneficial owner of after the execution of this Agreement and prior to the Expiration Date to the same extent as if they constituted Shares on the date hereof, including upon conversion of the Victory Preferred Stock.

“Special Committee” has the meaning given to such term in the Merger Agreement.

“Transactions” has the meaning given to such term in the Merger Agreement.

“Transfer” with respect to any security means to directly or indirectly (a) sell, pledge, encumber, transfer or dispose of, or grant an option with respect to, such security or any interest in such security or (b) enter into an agreement or commitment providing for the sale, pledge, encumbrance, transfer or disposition of, or grant of an option with respect to, such security or any interest therein.

“Victory” has the meaning set forth in the preamble to this Agreement.

“Victory Common Stock” has the meaning set forth in the recitals to this Agreement.

“Victory Preferred Stock” has the meaning given to such term in the Merger Agreement.

[Signature Page Follows]

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

VERINT SYSTEMS INC.

By: /s/ Dan Bodner
Name: Dan Bodner
Title: President and Chief Executive Officer

COMVERSE TECHNOLOGY INC.

By: /s/ Charles J. Burdick
Name: Charles J. Burdick
Title: Chief Executive Officer

VICTORY ACQUISITION I LLC

By: /s/ Peter Fante
Name: Peter Fante
Title: Vice President and Secretary

[Signature Page to the Voting Agreement]

GOVERNANCE AND REPURCHASE RIGHTS AGREEMENT

This Governance and Repurchase Rights Agreement (this “Agreement”), dated as of August 12, 2012, is by and between Verint Systems Inc., a Delaware corporation (“Victory”), and Converse Technology, Inc., a New York corporation (“Chucktaylor”).

RECITALS

1. On the date hereof, Victory and Victory Acquisition I LLC, a Delaware limited liability company and a wholly owned subsidiary of Victory (“Merger Sub”), entered into an Agreement and Plan of Merger (as amended, modified or supplemented from time to time in accordance with its terms, the “Merger Agreement”) with Chucktaylor, which provides that, on the terms and subject to the conditions thereof, Chucktaylor will be merged with and into Merger Sub (the “Merger”), with Merger Sub as the surviving company in the Merger;
2. The execution and delivery of this Agreement is a condition of, and a material inducement to, Victory’s willingness to enter into the Merger Agreement; and
3. The parties hereto desire to enter into this Agreement to establish, subject to and in accordance with the terms hereof, certain arrangements with respect to the Victory Preferred Stock Beneficially Owned by Chucktaylor, and to provide for, among other things, certain corporate governance rights.

Accordingly, in consideration of the premises and the mutual covenants and agreements contained in this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

I. EFFECTIVENESS; CERTAIN DEFINITIONS

1.01. Effectiveness. Articles III through VI (inclusive) of this Agreement will have no force or effect until the occurrence of the applicable Trigger Event and will be in full force and effect following the occurrence of such applicable Trigger Event. All other provisions of this Agreement are in full force and effect as of the date hereof.

1.02. Certain Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms will have the following meanings, applicable to both the singular and plural forms thereof:

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such other Person as of the date on which, or at any time during the period for which the, the determination of affiliation is being made; provided, however, that neither Victory nor its controlled Affiliates will be deemed to be an Affiliate of Chucktaylor for any purpose hereunder. For purposes of this definition, the term “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any

Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Average Closing Price” means the average (measured as a simple arithmetic mean) of the daily volume weighted averages of the trading prices of the Common Stock on the NASDAQ Global Market, as reported as “VRNT” by Bloomberg L.P. (or any such equivalent calculation to which the parties hereto may agree in writing), for the 20 consecutive Trading Days ending on the second Trading Day immediately preceding the Closing Date; provided, however, that if an ex-dividend date is set for the Common Stock during such period, then the trading price for a share of Common Stock for each day during the portion of such period that precedes such ex-dividend date will be reduced by the amount of the dividend payable on a share of Common Stock.

“Beneficial Ownership” of any securities means ownership, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, whether the Person has or shares with another Person (A) voting power which includes the power to vote, or to direct the voting of, such security; and/or (B) investment power which includes the power to dispose, or to direct the disposition, of such security and will otherwise be interpreted in accordance with the term “Beneficial Ownership” as defined in Rule 13d-3 adopted by the SEC under the Exchange Act; provided that for purposes of determining Beneficial Ownership, a Person will be deemed to be the Beneficial Owner of any securities which may be acquired by such Person pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrant or options, or otherwise (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of 60 days, the satisfaction of any conditions, the occurrence of any event or any combination of the foregoing). The terms “Beneficially Own,” “Beneficial Owner” and “Beneficially Owned” will have correlative meanings.

“Board” means the board of directors of Victory.

“Business Day” means any day on that is not a Saturday, a Sunday or other day that is a statutory holiday under the federal laws of the United States.

“Cadian Agreement” means that certain Letter Agreement, dated May 30, 2012, among Chucktaylor, Cadian Capital Management, LLC (“Cadian Capital”), Cadian Fund LP, Cadian Master Fund LP and Cadian GP LLC.

“Call Election Notice” has the meaning ascribed to such term in Section 6.01(b).

“Call Option” has the meaning ascribed to such term in Section 6.01(a).

“Call Option Price” means an amount equal to (a) the aggregate Liquidation Preference (as defined in the Certificate of Designation) applicable to the

Option Shares that consist of Victory Preferred Stock as of the Closing Date, (b) plus, if any of the Option Shares consist of Common Stock, the Market Price in respect of such Common Stock plus (c) an amount of cash equal to the product of (i) the quotient obtained by dividing (A) the number of Options Shares purchased by Victory pursuant to the Call Option that are shares of Preferred Stock (or if the Option Shares purchased are shares of Common Stock, such number of shares of Preferred Stock that if converted would equal that number of shares of Common Stock) and (B) the total number of shares of Preferred Stock then outstanding by (ii) \$5,000,000.

“Certificate of Designation” means the Certificate of Designation, Preferences and Rights of the Victory Preferred Stock, filed with the Secretary of State of the State of Delaware on May 25, 2007, as amended, modified or supplemented from time to time in accordance with its terms.

“Chucktaylor Acquisition” has the meaning ascribed to such term in Section 4.01(b).

“Chuck Disposition Shareholder Approval” means the approval of the shareholders of Chucktaylor of the Chuck Disposition (as defined in the Merger Agreement).

“Chucktaylor Trigger Event” means the termination of the Merger Agreement pursuant to any of (a) Section 6.01(b)(iv) of the Merger Agreement (but only if the Distribution Shareholder Approval or the Chuck Disposition Shareholder Approval, as applicable, is obtained) or (b) Section 6.01(c)(i) of the Merger Agreement as a result of a breach by Chucktaylor that was “knowing” or “deliberate” (as each such term is defined in the Merger Agreement).

“Closing Date” means the date of the closing of the Put Option or Call Option, as applicable.

“Common Stock” means the shares of Victory’s common stock, par value \$0.001 per share.

“Director” means any member of the Board.

“Distribution Shareholder Approval” means the approval of the shareholders of Chucktaylor of the Distribution (as defined in the Merger Agreement).

“Enforceability Exception” has the meaning ascribed to such term in Section 2.01(b).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same may be in effect at the relevant time.

“Market Price” means the Average Closing Price multiplied by the number of Option Shares that consist of Common Stock.

“NASDAQ” means The NASDAQ Stock Market.

“Nominating Committee” means the Corporate Governance & Nominating Committee of the Board or any successor committee.

“Option” means the Call Option or the Put Option, as applicable.

“Option Period” means the period of time commencing on the date of the termination of the Merger Agreement as a result of the applicable Trigger Event and ending on the earlier of (a) the 18 month anniversary of the Trigger Event and, if applicable, (b) the date on which the Call Option is forfeited pursuant to Section 6.02(d).

“Option Shares” means such number of shares of Victory Preferred Stock and, if Chucktaylor does not own a sufficient number of Victory Preferred Stock that would constitute Option Shares, Common Stock Beneficially Owned by Chucktaylor to be acquired by Victory pursuant to either the Call Option or the Put Option such that immediately following such acquisition by Victory, Chucktaylor would Beneficially Own less than 50% (but not below 49.5%) of the outstanding Voting Securities (on an as exercised and fully diluted basis), in each case as set forth in the Call Election Notice or the Put Election Notice, as applicable.

“Put Election Notice” has the meaning ascribed to such term in Section 6.02(b).

“Put Option” has the meaning ascribed to such term in Section 6.02(a).

“Put Option Price” means the lesser of (a) the aggregate Liquidation Preference (as defined in the Certificate of Designation) applicable to the Option Shares that consist of Victory Preferred Stock plus, if any of the Option Shares consist of Common Stock, the Market Price of the Option Shares that consist of Common Stock and (b) an amount equal to the sum of (i) (A) the Average Closing Price times the number of Option Shares (it being understood that for purposes of this clause (A) any Option Shares that consist of Victory Preferred Stock will be on an as converted basis) and (B) \$25,000,000.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a quasi-governmental entity, a government or any agency, authority, political subdivision or other instrumentality thereof, or any other entity.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same may be in effect at the relevant time.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, indenture, right to acquire, right of first refusal, deed of trust, licenses to third parties, leases to third parties, security agreements, voting or other

restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance and other restrictions or limitations on use of real or personal property of any nature whatsoever.

“Standstill Termination Date” means the earlier of the date (a) that is the 18 month anniversary of the Trigger Event and, if applicable, (b) on which the Call Option is forfeited pursuant to Section 6.02(d).

“Trading Day” means any day on which there are sales of Common Stock on the NASDAQ composite tape.

“Trigger Event” means a Chucktaylor Trigger Event or Victory Trigger Event, as applicable.

“Victory Preferred Stock” means Victory’s Series A Convertible Preferred Stock, par value \$0.001 per share.

“Victory Trigger Event” means the termination of the Merger Agreement pursuant to Section 6.01(b)(iv) of the Merger Agreement (but only if the Distribution Shareholder Approval or the Chuck Disposition Shareholder Approval, as applicable, is obtained).

“Voting Securities” means any and all shares of capital stock of Victory and securities issued in respect thereof that are entitled to vote generally in the election of Directors, including the Common Stock, the Victory Preferred Stock and any capital stock of Victory issuable upon the exercise of any option, warrant or convertible security.

II. REPRESENTATIONS AND WARRANTIES

2.01. Representations and Warranties of Chucktaylor. Chucktaylor represents and warrants to Victory, as of the date hereof, as of the occurrence of a Chucktaylor Trigger Event and as of the exercise of an Option in accordance with the terms of this Agreement, as follows:

(a) Chucktaylor is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has the requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Chucktaylor is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction in which the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing as would not, individually or in the aggregate, reasonably be expected to prevent or delay or impair the ability of Chucktaylor to perform its obligations under this Agreement.

(b) Chucktaylor has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The

execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Chucktaylor, and no other corporate proceedings on the part of Chucktaylor are necessary to authorize the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by Chucktaylor and is a valid and binding obligation of Chucktaylor, enforceable against Chucktaylor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (such exception, the "Enforceability Exception").

(c) The execution and delivery of this Agreement by Chucktaylor does not and will not, and the performance of this Agreement by Chucktaylor will not, (i) conflict with or violate the certificate of incorporation or bylaws of Chucktaylor, (ii) conflict with or violate any law applicable to Chucktaylor or by which any property or asset of Chucktaylor is bound or affected, or (iii) result in any breach of, or constitute a default (with or without notice or lapse of time, or both) under, or give rights to any right of consent, termination, amendment, modification, acceleration, cancellation or modification of any benefit or obligation under, or right to challenge any material note, bond, mortgage, indenture or credit agreement, or any other contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Chucktaylor is a party or by which any property or asset of Chucktaylor is bound or affected, excluding in cases of clauses (ii) and (iii) above, conflicts, violations, breaches, defaults, rights of consent, terminations, amendments, modifications, accelerations, cancellations or modifications, and rights to challenge that would not reasonably be likely to, individually or in the aggregate, have a material and adverse effect on Chucktaylor.

(d) Chucktaylor has good and valid title to the Option Shares, free and clear of any Security Interest.

2.02. *Representations and Warranties of Victory.* Victory represents and warrants to Chucktaylor, as of the date hereof, as of the occurrence of a Victory Trigger Event and as of the exercise of an Option in accordance with the terms of this Agreement, as follows: (a) Victory is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Victory is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction in which the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing as would not, individually or in the aggregate, reasonably be expected to prevent or delay or impair the ability of Victory to perform its obligations under this Agreement.

(b) Victory has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Victory, and no

other corporate proceedings on the part of Victory are necessary to authorize the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by Victory and is a valid and binding obligation of Victory, enforceable against Victory in accordance with its terms, subject to the Enforceability Exception.

(c) The execution and delivery of this Agreement by Victory does not and will not, and the performance of this Agreement by Victory will not, (i) conflict with or violate the certificate of incorporation or bylaws of Victory, (ii) conflict with or violate any law applicable to Victory or by which any property or asset of Victory is bound or affected, or (iii) result in any breach of, or constitute a default (with or without notice or lapse of time, or both) under, or give rights to any right of consent, termination, amendment, modification, acceleration, cancellation or modification of any benefit or obligation under, or right to challenge any material note, bond, mortgage, indenture or credit agreement, or any other contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Victory is a party or by which any property or asset of Victory is bound or affected, excluding in cases of clauses (ii) and (iii) above, conflicts, violations, breaches, defaults, rights of consent, terminations, amendments, modifications, accelerations, cancellations or modifications, and rights to challenge that would not reasonably be expected to constitute, individually or in the aggregate, a Victory MAE (as defined in the Merger Agreement).

III. BOARD REPRESENTATION

3.01. *Nomination of Director Designees.* (a) From and after the occurrence of a Chucktaylor Trigger Event and for so long as the Cadian Agreement is operative, Victory will use commercially reasonable efforts to cause the Board to be comprised of at least nine Directors. From and after the occurrence of a Chucktaylor Trigger Event and in the event that the Cadian Agreement is not in effect, Victory will use commercially reasonable efforts to cause the Board to be comprised of at least seven Directors. Each of the parties hereto agrees to use commercially reasonable efforts to ensure that any slate of nominees recommended for election to the Board pursuant to this Section 3.01 will include, subject to terms and conditions hereof, the following individuals:

(i) for so long as (A) Chucktaylor Beneficially Owns 50% or more of the outstanding Voting Securities (on an as exercised and fully diluted basis) and (B) the Cadian Agreement is in full force and effect, Chucktaylor may designate up to two nominees for election to the Board and Cadian Capital may designate (in accordance with and subject to the terms and conditions of the Cadian Agreement) up to three nominees for election to the Board;

(ii) for so long as (A) Chucktaylor Beneficially Owns more than 30% but less than 50% of the outstanding Voting Securities (on an as-exercised and fully diluted basis) or (B) Chucktaylor Beneficially Owns more than 50% of the outstanding Voting Securities (on an as exercised and fully diluted basis) and the Cadian Agreement is no longer in effect, Chucktaylor may designate up to two nominees for election to the Board; and

(iii) for so long as Chucktaylor Beneficially Owns more than 15% but less than 30% of the outstanding Voting Securities (on an as-exercised and fully diluted basis), Chucktaylor may designate one nominee for election to the Board.

(b) Subject to Section 3.01(g), at each annual or special meeting of the stockholders of Victory at which Directors are to be elected, Victory will use commercially reasonable efforts to include in the slate of nominees recommended by the Board and the Nominating Committee and in Victory's proxy statement or notice of such meeting all of the Directors respectively designated by Cadian Capital and Chucktaylor, as applicable, pursuant to Section 3.01(a) and the Applicable Standard (as such term is defined in the Cadian Agreement), and both Victory and Chucktaylor will use their respective commercially reasonable efforts to cause, and Chucktaylor will vote all of its Voting Securities then Beneficially Owned in favor of the election to the Board of each of those nominees recommended by the Board, which will include those Director nominees designated by Cadian Capital, Chucktaylor and the Nominating Committee, as applicable.

(c) If (A) a vacancy is created at any time by the death, disability, retirement, resignation or removal (with or without cause) of any Director designated by Chucktaylor or Cadian Capital, as applicable, or (B) a nominee for director is not approved pursuant to Section 3.01(a) and (b), then Victory, the Board and the party designating such Director or nominee will take all actions necessary to cause the vacancy or directorship position, as the case may be, to be filled as soon as practicable by a nominee designated by Chucktaylor or Cadian Capital, as applicable, in the manner specified in this Section 3.01. In the event Chucktaylor or Cadian Capital does not designate a replacement nominee or a replacement nominee is not approved by the Board in accordance with the Cadian Agreement, Victory will use commercially reasonable efforts to identify potential individuals to act as a replacement nominee, with such individuals being subject to vetting and approval by the Board under the Applicable Standard.

(d) For the purpose of determining the number of nominees for election to the Board that Chucktaylor and Cadian Capital, as applicable, will be entitled to designate pursuant to Section 3.01 at a stockholder meeting, the Voting Securities Beneficially Owned by Chucktaylor will be calculated as of the close of business on the 90th day prior to the relevant Victory stockholder meeting. Subject to the terms of the Cadian Agreement, Chucktaylor will, and will use commercially reasonable efforts to cause Cadian Capital to, notify Victory at least 60 days prior to the relevant Victory stockholder meeting of its respective proposed nominees for election to the Board pursuant to Section 3.01(a).

(e) Any nominees for election to the Board that are designated by Cadian Capital must satisfy the terms and conditions of the Cadian Agreement.

(f) For so long as the Cadian Agreement is in effect, Chucktaylor will not, and will cause its Subsidiaries not to, amend, alter or supplement any of the terms and conditions of the Cadian Agreement relating to Victory or the Board, in each case

without Victory's prior written consent, which consent may not be unreasonably withheld.

(g) As used in Section 3.01 and applicable to Victory, "commercially reasonable efforts" means that Victory will, acting through the Board upon the recommendation of the Nominating Committee (if applicable), establish the size of the Board as specified in Section 3.01(a), nominate for election to the Board the number of designees specified in Section 3.01(a), recommend the election of such nominees by the Victory Stockholders or the Board, as applicable, and when applicable solicit proxies from Victory Stockholders, provided, however, that in the event that the Nominating Committee or the Board determines under the Applicable Standard that one or more of the designees of Chucktaylor or Cadian Capital is unacceptable to serve on the Board, Victory will promptly notify Chucktaylor or Cadian Capital, as applicable, to permit Chucktaylor or Cadian Capital, as applicable, to designate a replacement, such process to continue as promptly as reasonably practicable until the Nominating Committee and the Board has recommended designees for election as contemplated by Section 3.01(a). Chucktaylor hereby acknowledges and agrees that nothing herein will be interpreted as requiring Victory or any Director to take any action that the Nominating Committee or the Board, as applicable, determines in good faith is inconsistent with the fiduciary duties applicable to the Nominating Committee or the Board, as applicable.

IV. STANDSTILL

4.01. Standstill Agreement. (a) From and after the occurrence of a Chucktaylor Trigger Event until the Standstill Termination Date, neither Chucktaylor nor any of its Affiliates will, directly or indirectly, acquire, offer or propose to acquire or agree to acquire by purchase, gift or otherwise, directly or indirectly, the Beneficial Ownership of any Voting Securities (or any warrants, options or other rights to purchase or acquire, or any securities convertible into, or exchangeable for, any Voting Securities) other than any shares of Common Stock acquired by Chucktaylor pursuant to the conversion of Victory Preferred Stock Beneficially Owned by Chucktaylor, or received pursuant to a stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction.

(b) Notwithstanding Section 4.01(a), neither Chucktaylor nor any of its Affiliates shall be deemed to Beneficially Own or be deemed to have acquired any additional Voting Securities (or any warrants, options or other rights to purchase or acquire, or any securities convertible into, or exchangeable for, any Voting Securities) as a result of Chucktaylor or any of its Affiliates entering into any agreement, arrangement or understanding with any Person (as defined in the Merger Agreement) in furtherance of an acquisition, merger, consolidation, dissolution, recapitalization or other business combination involving Chucktaylor pursuant to which the shareholders of Chucktaylor's Common Stock immediately preceding such transaction would hold securities representing less than 50% of the total outstanding voting power of the surviving or resulting entity of such transaction (a "Chucktaylor Acquisition").

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V. VOTING AGREEMENT

5.01. Voting Agreement. (a) Chucktaylor hereby covenants and agrees that for so long as the Board is not comprised of a majority of Directors that qualify as "independent" pursuant to the listing standards of NASDAQ (for the avoidance of doubt, any Directors nominated by Cadian Capital pursuant to the terms of Article III will be deemed "independent" to the extent they satisfy such listing standards), then Chucktaylor will: (a) cause the Voting Securities Beneficially Owned by Chucktaylor to be present, in person or represented by proxy at all meetings of the stockholders of Victory (whether annual or special and whether or not an adjourned or postponed meeting) so that the Voting Securities Beneficially Owned by Chucktaylor may be counted for determining a quorum at each such meeting; and

(b) other than for the election of Directors, vote, or cause to be voted, in person or by proxy, the Voting Securities Beneficially Owned by Chucktaylor, or execute one or more written consents in respect of the Voting Securities Beneficially Owned by Chucktaylor at all meetings of the stockholders of Victory (whether annual or special and whether or not an adjourned or postponed meeting) either (i) in proportion to the votes cast with respect to the Voting Securities not Beneficially Owned by Chucktaylor (as estimated by the inspector of election immediately prior to the closing of the polls with respect to the vote on any given matter, subject to adjustment for the inspector of election's final tabulation of votes cast); provided that Chucktaylor may vote any and all Voting Securities Beneficially Owned by Chucktaylor in its sole discretion with respect to any matter or proposal that (x) would materially and adversely affect the rights or privileges of the holders of Victory Preferred Stock disproportionately relative to the rights or privileges of the holders of Common Stock, (y) solely relates to the holders of Victory Preferred Stock and no other holders of Voting Securities or (z) would disproportionately have a material and adverse impact on holders of Common Stock that Beneficially Own in excess of 9% of the outstanding Common Stock (on an as exercised and fully diluted basis); provided further, however, that in the case of clauses (x) or (z) above, in no event will any matter or proposal that results in the dilution of Chucktaylor's Beneficial Ownership of Voting Securities be deemed to disproportionately have a material and adverse effect or impact on Chucktaylor relative to the other holders of Voting Securities, or (ii) in the case of any of the events contemplated by clauses (i), (ii) or (iv) of the definition of Fundamental Change (as defined in the Certificate of Designation) requiring the approval of the stockholders of Victory, as instructed by the public shareholders of Chucktaylor. In the event that the vote of the Victory Stockholders is solicited by Victory in connection with such a proposed Fundamental Change, Chucktaylor agrees to promptly call a meeting of its stockholders for the purpose of obtaining voting instructions from its stockholders with respect to Chucktaylor's vote on such Fundamental Change.

5.02. Irrevocable Proxy. In furtherance of Section 5.01, Chucktaylor will, and will cause its Affiliates to, if and when requested by Victory in connection with matters submitted to the stockholders of Victory from time to time, promptly execute and deliver to Victory an irrevocable proxy and irrevocably appoint Victory or its designees, with full power of substitution, its attorney, agent and proxy to vote (or cause to be voted) or to

give consent with respect to, all of the Voting Securities as to which Chucktaylor or its Affiliates are entitled to vote, in the manner and with respect to the matters set forth in Section 5.01. Chucktaylor acknowledges, and will cause its Affiliates to acknowledge, that any such proxy executed and delivered will be coupled with an interest, will constitute, among other things, an inducement for Victory to enter into this Agreement, will be irrevocable and binding on any successor in interest of Chucktaylor or its Affiliates, as applicable, and will not be terminated by operation of law upon the occurrence of any event. Such proxy will operate to revoke and render void any prior proxy as to any Voting Securities heretofore granted by Chucktaylor or its Affiliates, as applicable, to the extent it is inconsistent herewith.

VI. CALL OPTION AND PUT OPTION

6.01. Call Option. (a) Notwithstanding anything to the contrary in the Certificate of Designation but subject to Section 6.02(d), Chucktaylor grants to Victory the right (which will not be assignable or transferable to any other Person) to purchase the Option Shares from Chucktaylor and/or its Affiliates at the Call Option Price (the "Call Option").

(b) The Call Option may only be exercised once by Victory by delivering to Chucktaylor written notice of Victory's election to exercise the Call Option and specifying therein the number of Option Shares to be purchased by Victory (the "Call Election Notice") at any time commencing upon a Chucktaylor Trigger Event and ending 30 days prior to the end of the Option Period. The closing of the Call Option will occur within 30 days following delivery of such Call Election Notice. On the Closing Date of the Call Option, (i) Chucktaylor will deliver to Victory the certificate or certificates representing the Option Shares, accompanied by stock powers executed in blank and otherwise will take such action as Victory may determine in good faith is reasonably necessary in order to transfer to Victory good and marketable title to the Option Shares, free and clear of all claims, liens and encumbrances of any nature, and (ii) Victory will satisfy the Call Option Price by wire transfer in immediately available funds to an account designated in writing by Chucktaylor.

6.02. Put Option. (a) Victory grants to Chucktaylor the right (which will not be assignable or transferable to any other Person) to require Victory to purchase the Option Shares from Chucktaylor at the Put Option Price (the "Put Option").

(b) The Put Option may only be exercised once by Chucktaylor by delivering to Victory written notice of Chucktaylor's election to exercise the Put Option and specifying therein the number of Option Shares to be purchased by Victory (the "Put Election Notice") at any time commencing upon a Victory Trigger Event and ending 30 days prior to the end of the Option Period.

(c) The closing of the Put Option will be scheduled to occur within 90 days following Chucktaylor's delivery to Victory of the Put Election Notice; provided, however, that such closing will be extended for a period of time not to exceed an additional 45 days to enable Victory to obtain any necessary consents (including,

without limitation, any consents from any of its lenders under Victory's credit agreements) or make any filings with the Commission; provided further, however, that notwithstanding anything to the contrary herein, Victory, in its sole and absolute discretion, may elect not to consummate the closing of the Put Option. On the Closing Date of the Put Option, (i) Chucktaylor will deliver to Victory the certificate or certificates representing the Option Shares, accompanied by stock powers executed in blank and will otherwise take such action as Victory may determine in good faith is reasonably necessary in order to transfer to Victory good and marketable title to the Option Shares, free and clear of all claims, liens and encumbrances of any nature, and (ii) Victory will satisfy the Put Option Price by wire transfer in immediately available funds to an account designated in writing by Chucktaylor.

(d) If Chucktaylor properly exercises the Put Option in accordance with this Section 6.02 and Victory does not consummate the Put Option within the time period set forth in Section 6.02, Victory shall immediately forfeit the Call Option, the Option Period shall immediately terminate and the Standstill Termination Date shall immediately occur, which collectively shall be the sole remedy of Chucktaylor for such failure by Victory to consummate the Put Option.

6.03. No Restrictions on Transfer. Notwithstanding anything to the contrary herein or in the Certificate of Designations, Chucktaylor may (a) sell, assign or otherwise transfer any shares of Victory Preferred Stock that are Beneficially Owned by Chucktaylor, except for the Option Shares or (b) pledge, hypothecate or otherwise encumber any such shares of Victory Preferred Stock.

VII. MISCELLANEOUS

7.01. Effectiveness of this Agreement. Except as provided by Section 1.01, this Agreement is binding upon the parties as of the date hereof, subject to the terms and conditions hereof.

7.02. Notices. All notices, requests, permissions, waivers and other communications hereunder will be in writing and will be deemed to have been duly given (a) when sent, if sent by facsimile or email, provided that the facsimile or email transmission is promptly confirmed by telephone, (b) when delivered, if delivered personally to the intended recipient, and (c) one Business Day following sending by overnight delivery via a national courier service and, in each case, addressed to a party hereto at the following address for such party:

If to Victory:

330 South Service Road
Melville, NY 11747
Attention: Chief Legal Officer
Facsimile: (631) 962-9623
Email: peter.fante@verint.com

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

Jones Day
222 East 41st Street
New York, NY 10017
Attention: Randi C. Lesnick, Esq.
Facsimile: (212) 755-7306
Email: rclesnick@jonesday.com

and

Loeb & Loeb LLP
345 Park Avenue
New York, New York 10154-1895
Attention: David S. Schaefer, Esq.
Facsimile: (212) 208-0947
Email: dschaefer@loeb.com

If to Chucktaylor:

810 Seventh Avenue
New York, NY 10019
Attention: Shefali Shah
Facsimile: (212) 739-1094
Email: Shefali.Shah@cmvt.com

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

Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005
Attention: David E. Zeltner, Esq.
Facsimile: (212) 822-5003
Email: dzeltner@milbank.com

or to such other address(es) as will be furnished in writing by any such party to the other party in accordance with the provisions of this Section 7.02.

7.03. Interpretation. The descriptive headings herein are inserted for convenience of reference only and are not intended to be a substantive part of or to affect the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement will include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs will include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. The use of the words “include” or “including” in this Agreement will be by way of example rather than by limitation. The use of the words “or,” “either” or “any” will not be

exclusive. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party hereto by virtue of the authorship of any of the provisions of this Agreement. Except as otherwise expressly provided elsewhere in this Agreement, any provision herein which contemplates the agreement, approval or consent of, or exercise of any right of, a party, such disclaiming any implied duty of good faith and fair dealing or similar concept. Any reference herein to “dollars” or “\$” will mean United States dollars. The words “as of the date of this Agreement” and words of similar import will be deemed in each case to refer to the date of this Agreement as set forth in the Preamble hereto.

7.04. Severability. The parties hereto agree that (a) the provisions of this Agreement will be severable in the event that for any reason whatsoever any of the provisions hereof are invalid, void or otherwise unenforceable, (b) any such invalid, void or otherwise unenforceable provisions will be replaced by other provisions which are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable, and (c) the remaining provisions will remain valid and enforceable to the fullest extent permitted by applicable law.

7.05. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto, as well as any other agreements or documents referred to herein and therein, will together constitute the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and will supersede all prior negotiations, agreements and understandings of the parties hereto of any nature, whether oral or written, with respect to such subject matter, which is hereby terminated and of no further force or effect.

7.06. Assignment; Successors and Assigns. No party hereto may assign its rights or delegate its duties under this Agreement without the written consent of the other party hereto, and any attempted assignment or delegation will be void. The provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Notwithstanding the foregoing sentence, so long as a Chucktaylor Trigger Event occurs as a result of clause (a) of the definition of “Chucktaylor Trigger Event” this Agreement shall not be binding in any manner whatsoever on any bona fide third party that acquires Voting Securities from Chucktaylor or that enters into any agreement, understanding or arrangement to acquire or acquires voting control of Chucktaylor pursuant to a Chucktaylor Acquisition.

7.07. Parties in Interest. This Agreement is solely for the benefit of the parties hereto and does not confer on third parties any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

7.08. Governing Law; Consent to Jurisdiction; Waiver of Trial by Jury. (a) The validity, interpretation and enforcement of this Agreement will be governed by the

laws of the State of Delaware, other than any choice of Law provisions thereof that would cause the laws of another state to apply.

(b) By execution and delivery of this Agreement, each party hereto irrevocably (i) submits and consents to the personal jurisdiction of the state and federal courts of the State of Delaware for itself and in respect of its property in the event that any dispute arises out of this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that it will not bring any action relating to this Agreement in any other court. Each of the parties hereto irrevocably and unconditionally waives (and agrees not to plead or claim) any objection to the laying of venue of any dispute arising out of this Agreement in the state and federal courts of the State of Delaware, or that any such dispute brought in any such court has been brought in an inconvenient or improper forum. The parties hereto further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court will constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.08(c).

7.09. Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one party), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any party hereto, the other party will re-execute original forms thereof and deliver them to the requesting party. No party hereto will raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature was transmitted or communicated through the

use of facsimile machine or other electronic means as a defense to the formation of a contract and each such party forever waives any such defense.

7.10. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the parties agree that the party to this Agreement who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement. The parties agree that the remedies at law for any breach or threatened breach of this Agreement, including monetary damages, are inadequate compensation for any loss, that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived, and that any requirements for the securing or posting of any bond with such remedy are hereby waived.

7.11. Amendments and Waivers. (a) This Agreement may be amended and any provision of this Agreement may be waived, provided that any such amendment or waiver will be binding upon a party hereto only if such amendment or waiver is set forth in a writing executed by such party. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder will affect or operate as a waiver thereof; nor will any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any party hereto would otherwise have. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or any such waiver of any provision of this Agreement must satisfy the conditions set forth in Section 7.11(a) and will be effective only to the extent in such writing specifically set forth.

7.12. Termination. This Agreement will automatically terminate and be of no further force and effect upon the earlier of (a) the 18 month anniversary of a Trigger Event and (b) the date on which Chucktaylor consummates a Chucktaylor Acquisition; provided, further, that (x) the Call Option and the Put Option will automatically terminate and be of no further force and effect at any time that Chucktaylor Beneficially Owns less than 50% of the outstanding Voting Securities (on an as exercised and fully diluted basis) and (y) if, prior to the expiration of this Agreement, a Call Option or Put Option is exercised in accordance with Article VI and not consummated, except, if applicable, following a forfeiture of the Call Option pursuant to Section 6.02(d), the termination date will be extended until the consummation of such outstanding Call Option or Put Option in accordance with Article VI; provided further, however, that the termination of this Agreement will not relieve any party of a breach of this Agreement that occurred prior to such termination.

[Signature Page Follows]

This Agreement has been duly executed and delivered as of the date first above written.

VERINT SYSTEMS INC.

By: /s/ Dan Bodner

Name: Dan Bodner

Title: President and Chief Executive Officer

COMVERSE TECHNOLOGY, INC.

By: /s/ Charles J. Burdick

Name: Charles J. Burdick

Title: Chief Executive Officer

**Contacts:****Investor Relations**

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Verint Signs Definitive Agreement to Acquire Comverse Technology Holding Company Following Spin Off of its Telecom Business**Comverse Technology Shareholders to Become Direct Stockholders of Verint Through an Exchange, Eliminating Majority Ownership and Control Structure**

MELVILLE, N.Y., August 13, 2012 — Verint® Systems Inc. (NASDAQ: VRNT) today announced that it has signed a definitive merger agreement (the “Merger Agreement”) with Comverse Technology, Inc. (“CTI”). Under this Agreement, following the completion of CTI’s previously announced distribution of its telecom business and substantially all of its other assets, other than its holdings in Verint, to its shareholders Verint will acquire CTI, eliminating CTI’s majority ownership in and control of Verint. CTI currently holds approximately 41.0%, of Verint’s outstanding common shares and all of Verint’s outstanding convertible preferred shares which, if converted, would result in CTI holding approximately 53.7% of Verint’s basic outstanding common shares.

“We look forward to becoming a non-controlled and independent public company. Clarifying our ownership structure is a significant positive for Verint as we continue to focus on increasing shareholder value,” said Dan Bodner, CEO and President.

Financial Terms

Under the terms of the Merger Agreement, Verint will acquire CTI for approximately 27.5 million Verint common shares (a number of shares equal to CTI’s ownership on an as converted basis at the expected time of transaction closing) plus up to an additional \$25 million in Verint common shares (with the final additional amount dependent on the timing of CTI’s distribution or other disposition of substantially all of its non-Verint assets (the “Comverse Disposition”). The Verint convertible preferred shares held by CTI are currently entitled to accrued dividends at an annual rate of 3 7/8%, and as such, the maximum additional amount of \$25 million is equivalent to approximately two years of dividends that CTI would otherwise have been entitled to receive if the convertible preferred shares had remained outstanding.

Dan Bodner continued, “The elimination of the convertible preferred stock and dividend will simplify Verint’s capital structure and the distribution of Verint’s shares directly to CTI’s shareholders will significantly increase Verint’s public float and liquidity for investors.”

Timing

The closing of the merger is subject to certain conditions including, among other things, the completion of the Converse Disposition, the filing by Verint and effectiveness of a Form S-4 registration statement, and receipt of the requisite approval of Verint and CTI shareholders. CTI has agreed to vote all of its Verint shares in favor of the merger at the Verint stockholder meeting to approve the merger. In addition to the stockholder approvals required by applicable law, the Merger Agreement provides that the merger must be approved by the affirmative vote of holders of a majority of Verint common shares present at the stockholder meeting that are not held by CTI or its subsidiaries. Verint currently expects to file the Form S-4 registration statement with the Securities and Exchange Commission in its third quarter or early in its fourth quarter and to close the merger in its first quarter of next year, however, there can be no assurance as to when or if the transactions contemplated by the Merger Agreement will be consummated.

Special Committee Process

Verint's board of directors, acting upon the unanimous recommendation of a special committee of the board comprised solely of independent and disinterested directors (the "Special Committee") approved the Merger Agreement and the transactions contemplated thereby and recommended that Verint's stockholders (other than CTI) vote to approve the Merger Agreement and the transactions contemplated thereby. The Special Committee negotiated the terms of the Merger Agreement with the assistance of its financial and legal advisors, Citigroup Global Markets Inc. and Loeb & Loeb LLP. Verint received legal advice from Jones Day.

Board of Directors

Verint's nine person board currently includes four CTI-affiliated directors (members of the CTI's board of directors or management). Prior to completion of the merger, it is expected that two of these CTI-affiliated directors will be replaced with independent directors pursuant to an existing agreement between CTI and Cadian Capital previously disclosed by CTI. Concurrent with the merger, the remaining CTI-affiliated directors are expected to resign from the Verint board.

For more information regarding the merger, please see Verint's Current Report on Form 8-K that was filed this morning. The Form 8-K includes a copy of the Merger Agreement as an exhibit.

This press release does not constitute an offer of any securities for sale. In connection with the merger, Verint and CTI expect to file with the Securities and Exchange Commission a joint proxy statement/prospectus as part of a registration statement regarding the proposed transaction. Investors and security holders are urged to read the joint proxy statement/prospectus and any other relevant documents filed by Verint and/or CTI with the Securities Exchange Commission because they will contain important information about Verint and CTI and the proposed transaction. Investors and security holders may obtain free copies of the definitive joint proxy statement/prospectus and other documents when filed by Verint and CTI with the Securities and Exchange Commission at www.sec.gov or www.verint.com or www.cmv.com. Investors and security holders are urged to read the joint proxy statement/prospectus and other relevant material when they become available before making any voting or investment decisions with respect to the merger.

This press release is not a solicitation of a proxy from any security holder of Verint or CTI and shall not constitute an offer to sell or a solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933. However, Verint, CTI and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from stockholders in connection with the proposed transaction under the rules of the Securities and Exchange Commission. Information about the directors and executive officers of Verint may be found in its Annual Report on Form 10-K for the year ended January 31, 2012 and in its definitive proxy statement relating to its 2012 Annual Meeting of Stockholders

filed with the Securities and Exchange Commission on May 14, 2012. Information about the directors and executive officers of CTI may be found in its Annual Report on Form 10-K for the year ended January 31, 2012 and in its preliminary proxy statement on Schedule 14A filed with the SEC on June 7, 2012 and the preliminary information statement attached thereto.

This press release contains forward-looking statements, including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc. These forward-looking statements are not guarantees and they are based on management's expectations that involve a number of risks and uncertainties, any of which could cause actual results or events to differ materially from those expressed in or implied by the forward-looking statements. Some of the factors that could cause actual future results or events to differ materially from current expectations include: uncertainties regarding the expected benefits from the merger; risks associated with Verint's and CTI's ability to satisfy the conditions and terms of the merger, and to execute the merger in the estimated timeframe, if at all; and risks associated with the expected governance of Verint upon completion of the merger. For a detailed discussion of certain risk factors, see our Annual Report on Form 10-K for the fiscal year ended January 31, 2012 and our Quarterly Report on Form 10-Q for the quarter ended April 30, 2012, and other filings we make with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release and, except as required by law, Verint assumes no obligation to update or revise them or to provide reasons why actual results may differ.

About Verint Systems Inc.

Verint® (NASDAQ: VRNT) is the global leader in Actionable Intelligence® solutions and value-added services. Its extensive portfolio of Enterprise Intelligence Solutions™ and Security Intelligence Solutions™ helps worldwide organizations capture and analyze complex, underused information sources—such as voice, video and unstructured text—to enable more timely, effective decisions. More than 10,000 organizations in 150 countries, including over 85 percent of the Fortune 100, use Verint solutions to improve enterprise performance and make the world a safer place. Headquartered in N.Y. and a member of the Russell 3000 Index, Verint has offices worldwide and an extensive global partner network. Learn more at www.verint.com.

VERINT, ACTIONABLE INTELLIGENCE, INTELLIGENCE IN ACTION, IMPACT 360, WITNESS, VERINT VERIFIED, VOVICI, GMT, AUDIOLOG, ENTERPRISE INTELLIGENCE SOLUTIONS, SECURITY INTELLIGENCE SOLUTIONS, VOICE OF THE CUSTOMER ANALYTICS, NEXTIVA, EDGEVR, RELIANT, VANTAGE, STAR-GATE, ENGAGE, CYBERVISION, FOCALINFO, SUNTECH, and VIGIA are trademarks or registered trademarks of Verint Systems Inc. or its subsidiaries. Other trademarks mentioned are the property of their respective owners.

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