

**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): May 23, 2013

The Hillman Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-13293
(Commission
File No.)

23-2874736
(I.R.S. Employer
Identification No.)

Registrant's telephone number, including area code: (513) 851-4900

Not Applicable
(Former name or former address,
if changed since last report.)

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

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously announced on May 23, 2013, James P. Waters, Executive Vice President and Chief Operating Officer of The Hillman Companies, Inc. ("Hillman") or the "Company") was elected by unanimous written consent to Hillman's Board of Directors, effective immediately.

Effective July 1, 2013 and as previously announced on May 23, 2013, Max W. ("Mick") Hillman, the Chief Executive Officer and President of Hillman will retire after 44 years with the Company. Mr. Hillman will retain a seat on Hillman's Board of Directors.

Mr. Waters will succeed Mr. Hillman as Chief Executive Officer of the Company and its subsidiaries, effective July 1, 2013. Mr. Waters joined Hillman in 1999 as Chief Financial Officer and was appointed as Executive Vice President and Chief Operating Officer in 2011. Mr. Waters served in these positions through a period of extensive growth at the Company.

The biographical information of Mr. Hillman, Mr. Waters and each of the executive officers of the Company, except as discussed under this Item 5.02, is included in the Company's Registration Statement on Form S-4 filed on May 24, 2013 and incorporated by reference into this Item 5.02.

Amended and Restated Employment Agreement with James P. Waters

In connection with the employment of Mr. Waters as Chief Executive Officer of Hillman, The Hillman Group, Inc. ("Hillman Group") and Mr. Waters have entered into an amended and restated employment agreement, dated as of May 23, 2013 and effective as of July 1, 2013 (the "Effective Date"). The employment agreement is for a term of three years beginning on the Effective Date, with year-to-year automatic renewal after the term, unless the employment agreement is terminated earlier or not renewed. The agreement provides for an initial annual base salary of \$400,000 (or such higher rate as the Board of Directors may determine from time to time) and annual cash bonus target of 75% of base salary and maximum of 150% of base salary under the Company's performance-based bonus plan. For the period ending December 31, 2013, Mr. Waters' bonus will be based on a weighted average of his base salary rates for such year. As promptly as practicable following the Effective Date, Mr. Waters will receive additional stock options to purchase 1,375 shares of common stock of the Company's parent company, OHCP HM Acquisition Corp. ("OHCP").

The employment agreement provides severance generally consistent with Mr. Waters' prior agreement. In the event his employment is terminated without "cause" or if he resigns with "good reason" (each as defined in the agreement), Mr. Waters would be entitled to (i) continued payments of base salary for a period of two years following termination; (ii) a prorated portion of his annual bonus, if any, for the year in which termination occurs, payable when bonus payments for such year are made to other senior executives; and (iii) 50% of the amount equal to the greater of the average of his annual bonuses for the preceding three years or the most recent bonus paid to him prior to termination (the "Termination Bonus Amount"). In addition, Mr. Waters would be entitled to continued health benefit coverage for twelve months at the Company's expense, and, if permitted by the Company's insurers, continued participation in the Company's group life and disability insurance plans for six months at the Company's expense.

If a "change in control" (as defined in the agreement) occurs and in the event of a termination by the Company without cause, resignation with good reason, or due to non-renewal by the Company within 90 days following such change of control, Mr. Waters would be entitled to (i) a lump sum payment equal to the sum of one year of his then current rate of base salary plus 50% of the Termination Bonus Amount, payable within 30 days of termination or resignation, (ii) a prorated portion of his annual bonus, if any, for the year in which termination occurs, payable when bonus payments for such year are made to other senior executives, and (iii) beginning on the first anniversary of the termination date, payments of his base salary (as of the termination date) for a period of one year.

No severance payments or benefits are payable in the event of a termination for cause or resignation without good reason. In such case, Mr. Waters would be entitled only to payment of the "accrued payments" (as defined in the agreement).

The employment agreement includes restrictive covenants, including two-year non-solicitation of employees and customers and two-year non-competition if terminated by the Company without cause or Mr. Waters resigned with good reason, or in the event of any other termination, one-year non-competition. The employment agreement requires Mr. Waters not to disclose at any time confidential information of the Company or of any third party to which the Company has a duty of confidentiality and to assign to the Company all intellectual property developed during employment.

The description of Mr. Waters' employment agreement does not purport to be a complete description of the terms thereof and is qualified in its entirety by reference to the complete text of the agreement, a copy of which is attached as Exhibit 10.1 and incorporated herein by reference.

Separation Agreement with Max W. Hillman, Jr.

In connection with Mr. Hillman's retirement, the Company, Hillman Group and Mr. Hillman entered into a Separation Agreement, dated as of May 28, 2013 (the "Separation Agreement"), as contemplated by the letter dated as of May 23, 2013, between the Company and Mr. Hillman, setting forth certain terms and conditions relating to the termination of Mr. Hillman's employment as President and Chief Executive Officer due to his retirement.

Pursuant to the terms of the Separation Agreement, Mr. Hillman will continue to be employed by the Company through July 1, 2013 (the "Termination Date"). During the period from the date of the Separation Agreement to the Termination Date, Mr. Hillman will assist with the transition of his responsibilities and duties to the Company's new Chief Executive Officer, Mr. Waters, and otherwise provide transition assistance and support to the Company, as reasonably directed by OHCP, as designee of the Board of Directors.

Beginning on the Termination Date, Mr. Hillman will be engaged to provide certain "consulting services" (as defined in the Separation Agreement) as an independent contractor to Hillman Group for a period of 30 months (the "Consulting Period"). For such consulting services, Mr. Hillman will be entitled to (A) an amount equal to six months of his annual base salary as in effect at the Termination Date for the first six months of the Consulting Period and, (B) for the remainder of the Consulting Period, a fee of \$50,000 per annum, paid quarterly in arrears. In addition, Mr. Hillman would be entitled to reimbursement for reasonable travel and other business-related out-of-pocket expenses and, provided not prohibited by the Company's plan, health plan coverage.

Subject to early termination, the Consulting Period will terminate on December 31, 2015. From and after the Termination Date and until otherwise requested by OHCP or as mutually agreed, Mr. Hillman shall serve as a member of the Board of Directors, with fees at a rate of \$50,000 per annum, paid quarterly in arrears.

In consideration for Mr. Hillman's continued compliance with the restrictive covenants of his employment agreement, dated as of December 21, 2008, as amended by letter on May 28, 2010 and by the Separation Agreement, he would be entitled to the following payments and benefits: (i) the opportunity to receive the 2013 fiscal year performance bonus award, as a lump sum at the same time as bonuses are generally paid to other executives in respect of the 2013 fiscal year, so long as the applicable performance goals are met; (ii) payment in respect of any accrued but unused vacation for the 2013 fiscal year on the Termination Date; (iii) reimbursement of expenses incurred in the course of and for the purpose of employment that have been submitted prior to, and are unpaid as of, the Termination Date, within thirty (30) days following the Termination Date; (iv) with respect to the options to acquire 4,200 shares of OHCP common stock, of which options with respect to 1,260 shares will have vested as of the Termination Date, the opportunity to vest in additional options as follows: (A) an additional 280 Service Options will vest May 30, 2014 and an additional 280 Service Options will vest May 28, 2015, subject to continued service through those dates; (B) a portion of Mr. Hillman's Performance Options, including the unearned portion of the 2010 fiscal year installment (140 Performance Options) and the entire portion of the 2013 fiscal year installment (280 Performance Options) will be eligible for vesting based on the achievement of the annual EBITDA targets for the 2013 fiscal year; (C) if a Change of Control occurs within 12 months following the Termination Date, (x) 50% of Mr. Hillman's Outcome-Based Options will vest if OH IRR equals or exceeds 15%; and (y) an additional 50% of Mr. Hillman's Outcome-Based Options will vest if OH IRR equals or exceeds 17.5%; and (D) subject to continued service through the end of the Consulting Period or, if earlier, through the date of a Change of Control, then, if a Change in Control occurs following the 12-month anniversary of the Termination Date, up to 840 shares of Mr. Hillman's Outcome-Based Options will be eligible to vest (i.e., 420 shares of the Outcome-Based Options vest if OH IRR equals or exceeds 15% and an additional 420 vest if OH IRR equals or exceeds 17.5%); and (v) payment of Mr. Hillman's car allowance and club membership reimbursement shall be discontinued as of the Termination Date. Mr. Hillman's entitlement to consulting payments will also be subject to his execution of an irrevocable release in a form reasonably acceptable to the Company.

The description of the Separation Agreement is qualified in its entirety by reference to the complete text of the document, a copy of which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Certain Relationships and Related Transactions

The information set forth under Item 13 of the Company's Form 10-K for the year ended December 31, 2012 is incorporated by reference into this Item 5.02.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Adoption of Second Amended and Restated By-laws

On May 23, 2013, the Board of Directors approved the Second Amended and Restated By-laws of the Company (as amended and restated, the "By-laws"), effective as of the date of adoption. The By-laws have been amended to remove the requirement that the Company's executive officers include the office of President and to provide that the Chief Executive Officer shall be the principal executive officer of the Company.

The description of the Company's By-laws is qualified in its entirety by reference to the complete text of the document, a copy of which is attached hereto as Exhibit 3.1 and incorporated herein by reference.

Item 8.01 Other Events.

On May 23, 2013, the Company issued a press release relating to Mr. Hillman's retirement and Mr. Waters' succession as Chief Executive Officer. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information under Item 8.01 of this Form 8-K and the press release exhibited hereto is being furnished under Item 8.01. Such information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filing, except to the extent expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Not Applicable
- (d) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
3.1*	Second Amended and Restated By-laws of The Hillman Companies, Inc.
10.1*	Amended and Restated Employment Agreement, dated as of May 23, 2013, by and between The Hillman Group, Inc. and James P. Waters.
10.2*	Separation Agreement, dated as of May 28, 2013, by and among The Hillman Group, Inc., The Hillman Companies, Inc. and Max W. Hillman, Jr.
99.1*	Press Release dated May 23, 2013.
99.2	Registration Statement on Form S-4 (File No. 333-188869) filed on May 24, 2013.
99.3	Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-13291) filed on March 29, 2013.

* *Filed herewith.*

SIGNATURES

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

Date: May 30, 2013

THE HILLMAN COMPANIES, INC.

/s/ Anthony A. Vasconcellos

Anthony A. Vasconcellos

Chief Financial Officer and Treasurer

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* *Filed herewith.*

SECOND AMENDED AND RESTATED

BY-LAWS

OF

THE HILLMAN COMPANIES, INC.

A Delaware Corporation

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Section 2. Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place and Time of Meetings. An annual meeting of the stockholders shall be held each year within one hundred twenty (120) days after the close of the immediately preceding fiscal year of the corporation for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting shall be determined by the chief executive officer of the corporation; provided, that if the chief executive officer does not act, the board of directors shall determine the date, time and place of such meeting.

Section 2. Special Meetings. Special meetings of stockholders may be called for any purpose and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by the board of directors, the chief executive officer or the holders of shares entitled to cast not less than a majority of the votes at the meeting.

Section 3. Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting (with a copy of such notice to each director) not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at

least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6. Quorum. The holders of a majority of the outstanding shares of capital stock, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by applicable statute or by the certificate of incorporation. If a quorum is not present, the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place. When a specified item of business requires a vote by a class or series (if the corporation shall then have outstanding shares of more than one class or series) voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum (as to such class or series) for the transaction of such item of business. When a quorum is once present to commence a meeting of stockholders, it is not broken by the subsequent withdrawal of any stockholders or their proxies.

Section 7. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8. Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to **Section 3 of Article VI** hereof, every stockholder shall at every meeting of the stockholders be entitled to one (1) vote in person or by proxy for each share of voting common stock held by such stockholder.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally. Any proxy is suspended when the person executing the proxy is present at a meeting of stockholders and elects to vote, except that when such proxy is coupled with an interest and the fact of the interest appears on the face of the proxy, the agent named in the proxy shall have all voting and other rights referred to in the proxy, notwithstanding the presence of the person executing the proxy. At each meeting of the stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

Section 11. Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. All consents properly delivered in accordance with this Section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2. Number, Election and Term of Office. The number of directors which shall constitute the board of directors shall be determined from time to time by resolution of the board of directors. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in **Section 4** of this **Article III**. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Section 4. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Section 5. Annual Meetings. The annual meeting of each newly elected board of directors shall be held, without other notice than this by-law, (subject to Section 3 of Article II), immediately after and at the same place as, the annual meeting of stockholders.

Section 6. Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held at such time and at such place as shall from time to time be determined by resolution of the board of directors, provided that whenever the time and place of a regular meeting is determined, prompt notice of such action shall be given, either personally, by facsimile, by mail or telegraph or by telephone (pursuant to which the director participates in the conversation), to each director who was not present at the meeting at which such action was taken. Special meetings of the board of directors may be called by or at the request of the chief executive officer or any director on at least 48 hours notice to each director, either personally, by telephone (pursuant to which the director participates in the conversation), by mail or by telegraph.

Section 7. Quorum, Required Vote and Adjournment. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The board of directors may, by resolution passed by a majority of the whole board of directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9. Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in **Section 8** of this **Article III**, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Executive Committee. The board of directors of the corporation may, by resolution adopted by a majority of the whole board of directors, designate three (3) directors to constitute an executive committee. The executive committee, to the extent provided in the resolution, shall have and may exercise all of the authority of the board of directors in the management of the corporation, except that the committee shall have no authority in reference to amending the certificate of incorporation; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease, or exchange of all or substantially all of the corporation's property and assets; recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution; amending the by-laws of the corporation; electing or removing directors or officers of the corporation or members of the executive committee; declaring dividends; or amending, altering, or repealing any resolution of the board of directors which, by its terms, provides that it shall not be amended, altered or repealed by the executive committee. The board of directors shall have power at any time to fill vacancies in, to change the size or membership of and to discharge the executive committee.

Section 11. Audit Committee. The audit committee shall consist of not fewer than two (2) members of the board of directors as shall from time to time be appointed by resolution of the board of directors. No member of the board of directors who is an affiliate of the corporation (other than solely by virtue of his or her position as a director, employee of the corporation or an employee or agent of an owner of capital stock of the corporation or its subsidiaries) or an officer or an employee of the corporation or any subsidiary of the corporation shall be eligible to serve on the audit committee. The audit committee shall review and, as it shall deem appropriate, recommend to the board of directors internal accounting and financial controls for the corporation and accounting principles and auditing practices and procedures to be employed in the preparation and review of financial statements of the corporation. The audit committee shall make recommendations to the board of directors concerning the engagement of independent public accountants to audit the annual financial statements of the corporation and the scope of the audit to be undertaken by such accountants.

Section 12. Compensation Committee. The compensation committee shall consist of not fewer than two (2) members of the board of directors as from time to time shall be appointed by resolution of the board of directors. No member of the board of directors who is an affiliate of the corporation (other than solely by virtue of his or her position as a director, employee of the corporation or an employee or agent of an owner of capital stock of the corporation or its subsidiaries) or an officer or an employee of the corporation or any subsidiary of the corporation shall be eligible to serve on the compensation committee. The compensation committee shall review and, as it deems appropriate, recommend to the chief executive officer and the board of directors policies, practices and procedures relating to the compensation of managerial employees and the establishment and administration of employee benefit plans. The compensation committee shall have and exercise all authority under any employee stock option plans of the corporation as the committee therein (unless the board of directors by resolution appoints any other committee to exercise such authority), and shall otherwise advise and consult with the officers of the corporation as may be requested regarding managerial personnel policies.

Section 13. Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board of directors or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 14. Waiver of Notice. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 15. Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board of directors or committee.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the board of directors and shall consist of a chief executive officer, a vice-president, if any is elected, a secretary, a treasurer, if any is elected, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as such meeting may conveniently be held. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6. The Chief Executive Officer. The chief executive officer of the corporation shall have the powers and perform the duties incident to that position. Subject to the powers of the board of directors and the chairman of the board of directors, if any is elected, the chief executive officer shall have general and active charge of the entire business, affairs and property of the corporation, be its chief policy making officer, control its officers, agents and employees, and see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors and the chairman of the board of directors, if any is elected, or as may be provided in these by-laws.

Section 7. President. In the event that the corporation elects a president, the president shall have duties incident to the office of president, and any other duties as may from time to time be assigned to the president by the chief executive officer (if the president and chief executive officer are not the same person) or the board and subject to the control of the chief executive officer (if the president and chief executive officer are not the same person) and the board in each case. The president may execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to the chief executive officer or some other officer or agent of the corporation.

Section 8. Vice-presidents. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the chief executive officer, act with all of the powers and be subject to all the restrictions of the chief executive officer. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the chairman of the board of directors, if any is elected, the chief executive officer, the president, if any is elected, or these by-laws may, from time to time, prescribe.

Section 9. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chairman, if any is elected, the chief executive officer, or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the

affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chairman, if any is elected, the chief executive officer, the president, if any is elected, or secretary may, from time to time, prescribe.

Section 10. The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chairman, if any is elected, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chairman, if any is elected, the chief executive officer, the president, if any is elected, or treasurer may, from time to time, prescribe.

Section 11. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 12. Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding) and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to

any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Article Not Exclusive. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7. Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1. Certificates for Stock. The shares of the corporation's stock may be certificated or uncertificated, as provided under Delaware law, and shall be entered in the books of the corporation and registered as they are issued. Certificates representing shares of the corporation's stock may be signed by the chairman, the chief executive officer, the president, if any is elected, or a vice president and the secretary or an assistant secretary of the corporation, and may bear the seal of the corporation or a facsimile thereof

or may be represented by a global certificate through the Depository Trust Company. If any such certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation itself or its employees, the signature of any such officer may be a facsimile signature. In case any officer who shall have signed or whose facsimile signature was placed on any such certificate shall have ceased to be an officer before such certificate shall be issued, it may nevertheless be issued by the corporation with the same effect as if he were such officer at the date of issue. Each certificate representing shares shall state upon its face (a) that the corporation is formed under the laws of the State of Delaware, (b) the name of the person or persons to whom it is issued, (c) the number of shares which such certificate represents and (d) the par value, if any, of each share represented by such certificate.

Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice that shall set forth the name of the corporation, that the corporation is organized under the laws of the State of Delaware, the name of the stockholder, the number and class (and the designation of the series, if any) of the shares represented, and any restrictions on the transfer or registration of such shares of stock imposed by the corporation's certificate of incorporation, these by-laws, any agreement among stockholders or any agreement between stockholders and the corporation.

Section 2. Lost Certificates. The corporation may issue a new certificate of stock, or uncertificated shares in place of a certificate previously issued by it, alleged to have been lost, mutilated, stolen or destroyed, and the board of directors may require the owner of such lost, mutilated, stolen or destroyed certificate, or such owner's legal representatives, to make an affidavit of the fact and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation on account of the alleged loss, mutilation, theft or destruction of any such certificate or the issuance of any such new certificate or uncertificated shares.

Section 3. Transfer of Stock. Upon surrender to the corporation or the appropriate transfer agent, if any, of the corporation, of a certificate representing shares of stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and in the event that the certificate refers to any agreement restricting transfer of the shares which it represents, proper evidence of compliance with such agreement, a new certificate or uncertificated shares shall be issued to the person entitled thereto, and the older certificate cancelled and the transaction recorded upon the books of the corporation.

Upon the receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be cancelled, issuance of new equivalent uncertificated shares or certificated shares shall be made to the stockholder entitled thereto and the transaction shall be recorded upon the books of the corporation. If the corporation has a transfer agent or registrar acting on its behalf, the signature of any officer or representative thereof may be in a facsimile.

The board of directors may appoint a transfer agent and one or more co-transfer agents and registrar and one or more co-registrars and may make or authorize such agent to make all such rules and regulations deemed expedient concerning the issue, transfer and registration of shares of stock.

Section 4. Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 5. Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and

prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Section 6. Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 7. Registered Stockholders. Prior to the surrender to the corporation of the certificate or certificates for a share or shares of stock with a request to record the transfer of such share or shares, the corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications, and otherwise to exercise all the rights and powers of an owner.

Section 8. Subscriptions for Stock. Unless otherwise provided in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3. Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6. Corporate Seal. The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9. Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted by a majority vote of the board of directors. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

THE HILLMAN GROUP, INC.
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is dated as of May 23, 2013, and effective as of July 1, 2013 (the "Effective Date"), by and between The Hillman Group, Inc., a Delaware corporation (the "Company"), and James P. Waters ("Executive").

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated December 21, 2008, as amended by the letter, between the Company and Executive, effective as of May 28, 2010, the date of the consummation of the transactions contemplated by the Agreement and Plan of Merger, dated as of April 21, 2010, by and among The Hillman Companies, Inc., a Delaware corporation and the indirect parent of the Company ("Hillman"), OHCP HM Acquisition Corp., a Delaware corporation ("OHCP"), and certain other parties thereto (as so amended, the "Preceding Employment Agreement");

WHEREAS, the Company and Executive desire to amend and restate the Preceding Employment Agreement in its entirety as set forth herein.

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

1. Employment. The Company shall employ Executive, and Executive hereby accepts employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning on the Effective Date and ending as provided in Section 4(a) hereof (the "Employment Period").

2. Position and Duties.

(a) During the Employment Period, Executive shall serve as the Chief Executive Officer (including full profit and loss responsibility for the operation of the Company and its Subsidiaries) of the Company and shall have the normal duties, responsibilities, functions and authority of the Chief Executive Officer, subject to the power and authority of the Board of Directors of Hillman (the "Board") to expand or limit such duties, responsibilities, functions and authority and to overrule actions of officers of the Company. During the Employment Period, Executive shall also render such administrative, financial and other executive and managerial services to Hillman and its Subsidiaries which are consistent with Executive's position as the Board may from time to time direct.

(b) During the Employment Period, Executive shall report to the Board and shall devote his best efforts and his full business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of Hillman and its Subsidiaries. Executive shall perform his duties, responsibilities and functions to Hillman and its Subsidiaries hereunder to the best of his abilities in a diligent, trustworthy, professional and efficient manner and shall comply with the Company's and its Subsidiaries' policies and procedures in all material respects. During the Employment Period, Executive shall not serve as an officer or director of, or otherwise perform services, whether or not for compensation, for, any other entity without the prior written consent of the Board; provided that Executive may serve as an officer or director of, or otherwise participate in, purely educational, welfare, social, religious or civic organizations so long as such activities do not interfere with Executive's employment.

(c) For purposes of this Agreement, "Subsidiaries" shall mean, with respect to any Person, any corporation, limited liability company, partnership, association, or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by the Person or one or more Subsidiaries of the Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or member or general partner (or other governing body) of such limited liability company, partnership, association, or other business entity. For purposes of this Agreement, "Person" shall mean 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 entity or any department, agency, or political subdivision thereof.

3. Compensation and Benefits.

(a) During the Employment Period, Executive's base salary shall be \$400,000 per annum or such higher rate as the Board may determine from time to time (such amount, as may be increased from time to time, and not decreased after any such increase, based on no less frequent than an annual review by the Board, the "Base Salary"), which Base Salary shall be payable by the Company in regular installments in accordance with the Company's general payroll practices in effect from time to time. During the period beginning on the Effective Date and ending December 31, 2013, the Base Salary shall be pro rated on an annualized basis. In addition, during the Employment Period, Executive shall be eligible to participate in employee benefit programs and receive perquisites reasonably comparable to those offered generally to the Company's employees and to similarly situated executive officers from time to time and as determined by the Board, including, without limitation, participation in group health insurance and disability insurance, life insurance, participation in the Company's 401K plan, four (4) weeks of vacation and paid holidays and participation in the Company's deferred compensation plan (provided that any participation in such deferred compensation plan is funded solely by the Executive other than any match by the Company of \$.25 per \$1.00 up to \$2,500, or such other matching amount as may be established by the Company from time to time under such plan). Participation in all such employee benefit plans and programs and perquisites shall be subject to the terms and conditions thereof. During the Employment Period, the Company shall reimburse Executive for all reasonable expenses incurred by Executive in connection with leasing an automobile (including lease payments, licenses and insurance) not to exceed \$1,050 per month (or, if Executive seeks to purchase an automobile, reimbursement of reasonable expenses incurred in connection with such purchase, including car loan payments, licenses and insurance), subject to the Company's requirements with respect to reporting and documentation of such expenses. Executive shall bear the cost of gas, cost of repairs on the automobile, and costs of any tickets, traffic offenses or fines of any kind. During the Employment Period, the Company shall reimburse Executive for reasonable expenses incurred by Executive in connection with club membership at a club of Executive's choice not to exceed \$500 per month, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(b) During the Employment Period, the Company shall reimburse Executive for all ordinary and reasonable business expenses incurred by him in the course of performing his duties and responsibilities under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(c) In addition to the Base Salary, the Company shall pay to Executive cash bonus compensation pursuant to the terms of a performance-based bonus plan. The bonus plan will provide for performance-based targets to be agreed to annually by the Chief Executive Officer and the Board. Executive shall be entitled to a target bonus equal to 75% of his Base Salary for that year. If the Company and its Subsidiaries perform at a level in excess of 100% of the bonus targets, the Executive shall be entitled to a higher amount of bonus compensation up to a maximum of 150% of his Base Salary for that year in accordance with the bonus plan and metrics established by the Compensation Committee of the Board. For 2013, Executive's bonus will be based on a weighted average of his Base Salary rates for such year. Bonuses shall be paid in the calendar year immediately following the calendar year that contains the end of the relevant performance period and in accordance with the Company's general payroll practices (in effect from time to time).

(d) As promptly as practicable following the Effective Date, the Company shall grant Executive, pursuant to OHCP's stock option plan and an option grant agreement attached as Exhibit B, additional options to purchase 1,375 shares of OHCP common stock (the "Options"). The Options shall have an exercise price per share equal to the higher of (i) \$1,350 or (ii) the fair market value on the date of grant of a share of OHCP common stock as determined by the Board reflecting an updated external valuation of the Company (expected to be completed by the Effective Date).

4. Term.

(a) The Employment Period shall be three years beginning on the Effective Date, and shall automatically be renewed on the same terms and conditions set forth herein as modified from time to time by the parties hereto for additional one-year periods unless either party gives the other written notice of the election not to renew the Employment Period (a "Notice of Non-Renewal") at least 180 days prior to any such renewal date (July 1, 2016 or the end of an effective one-year extension period, in either case being referred to herein as the "Expiration Date"); provided that (i) the Employment Period shall terminate prior to its Expiration Date immediately upon Executive's resignation (with or without Good Reason, as defined below), death or Disability, and (ii) the Employment Period may be terminated by the Company at any time prior to its Expiration Date for Cause (as defined below) or without Cause. Except as otherwise provided herein, any termination of the Employment Period by the Company shall be effective as specified in a written notice from the Company to Executive. Notwithstanding anything to the contrary herein, the termination of the employment of the Executive as a result of the Company providing the Executive a Notice of Non-Renewal shall be treated as a termination of the Executive by the Company without Cause.

(b) In the event of Executive's death or Disability, or upon the Expiration Date, Executive or his estate (as applicable) shall be entitled only to payment of (i) all accrued

and unpaid Base Salary through the date of termination of the Employment Period or the Expiration Date, as applicable, (ii) all accrued and unused vacation, and (iii) expense reimbursement pursuant to Section 3(b) of this Agreement (collectively, the "Accrued Payments"), and a pro rated portion (based on the number of days that have elapsed from the beginning of the bonus period until the date of termination of the Employment Period) of the bonus, if any, for the year in which termination of the Employment Period occurs as determined pursuant to Section 3(c) above (the "Prorated Bonus"). In addition, in the event of Executive's Disability, the Company shall use commercially reasonable efforts to allow Executive to participate in the Company's group health coverage, to the extent permitted by its insurers and under the same terms and conditions that generally apply to Company employees; provided that Executive pays all of the premiums and similar costs and expenses for such coverage. Executive shall not be entitled to any other salary, bonuses, employee benefits, perquisites or other compensation for periods after the termination of the Employment Period, except as otherwise specifically provided for under the Company's employee benefit plans or as otherwise expressly required by applicable law.

(c) If the Employment Period is terminated by the Company for Cause, or if Executive resigns without Good Reason, Executive shall be entitled only to payment of the Accrued Payments. In addition, the Company shall use commercially reasonable efforts to allow Executive to participate in the Company's group health coverage, to the extent permitted by its insurers and under the same terms and conditions that generally apply to Company employees; provided that Executive pays all of the premiums and similar costs and expenses for such coverage. Executive shall not be entitled to any other salary, bonuses, employee benefits, perquisites or other compensation from the Company or its Subsidiaries for periods after the termination of the Employment Period, except as otherwise specifically provided for under the Company's employee benefit plans or as otherwise expressly required by applicable law.

(d) If the Employment Period is terminated by the Company without Cause or if Executive resigns with Good Reason, then Executive shall be entitled to receive severance compensation in an amount as determined below:

(i) (A) an amount equal to two times (2X) his then applicable Base Salary, (B) 50% of the Termination Bonus Amount (as defined in Section 4(d)(ii)), and (C) continued health benefit coverage during the period beginning on the date of the termination of the Employment Period and ending twelve (12) months thereafter, at the Company's expense. For purposes of determining Executive's rights to COBRA continuation coverage, the date of termination of the Employment Period shall be the date of the COBRA qualifying event. In addition, Executive shall be permitted to participate, during the period beginning on the date of the termination of the Employment Period and ending six (6) months thereafter, in the Company's group life and disability coverages, to the extent permitted by its insurers and under the same terms and conditions that generally apply to Company employees, at the Company's expense.

(ii) The severance payments outlined in Section 4(d)(i) are in addition to the Accrued Payments and Prorated Bonus. In addition, the Company shall use commercially reasonable efforts to allow Executive to participate in the Company's group health coverage, to the extent permitted by its insurers and under the same terms and conditions that generally apply to Company employees; provided that, if not a part of the severance payments outlined in Section 4(d)(i)(C) above, Executive pays all of the premiums and similar costs and expenses for such coverage. Severance payments will be paid and benefit coverage will be provided pursuant to this Section 4(d) only if Executive

delivers to the Company and does not revoke an executed and effective Release Agreement in the form of Exhibit A attached hereto and only so long as Executive has not breached the provisions of Sections 6 and 7 hereof. Severance payments under Section 4(d)(i)(A) above shall be paid by continuation of regular payroll compensation payments beginning on the date of termination of the Employment Period but in no event less frequently than monthly and continuing, in the case of Section 4(d)(i)(A), for two (2) years commencing as provided in Section 5. The severance payment under Section 4(d)(i)(B) above shall be paid on the date bonuses are paid to other executives of the Company in the year following the date of termination of the Employment Period. For purposes of Section 4(d) hereof, “Termination Bonus Amount” shall mean an amount equal to the greater of: (A) the annual average of Executive’s annual bonuses under Section 3(c) for the preceding three years (or the Employment Period if shorter than three years) and (B) the amount of Executive’s last annual bonus received under Section 3(c) prior to the termination of the Employment Period.

(e) If a Change of Control occurs, and within 90 days after such Change of Control, the Employment Period is terminated by the Company without Cause or Executive resigns with Good Reason, Executive shall be entitled to (i) a lump sum payment equal to the sum of one (1) year of his then current rate of base salary plus 50% of the Termination Bonus Amount, payable within 30 days after such termination or resignation, and (ii) commencing on the first anniversary of Executive’s termination of employment, an amount equal to his Base Salary as in effect immediately prior to such termination or resignation, paid by continuation of regular payroll compensation payments but in no event less frequently than monthly and continuing for one (1) year. In addition, Executive shall be entitled to receive the Accrued Payments and Prorated Bonus. In addition, the Company shall use commercially reasonable efforts to allow Executive to participate in the Company’s group health coverage, to the extent permitted by its insurers and under the same terms and conditions that generally apply to Company employees; provided that Executive pays all of the premiums and similar costs and expenses for such coverage. Payments will not be paid under this Section 4(e) unless Executive delivers to the Company and does not revoke an executed and effective Release Agreement in the form of Exhibit A attached hereto. A “Change of Control” means any transaction or series of transactions pursuant to which any Person(s) or a group of related Persons (other than OHCP and its affiliates) in the aggregate acquire(s) (i) capital stock of Hillman possessing the voting power (other than voting rights accruing only in the event of a default, breach or event of noncompliance) to elect a majority of the board of Hillman (whether by merger, consolidation, reorganization, combination, sale or transfer of Hillman’s capital stock, shareholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of Hillman’s assets determined on a consolidated basis; provided, in each case, that a Change of Control shall not include a Public Offering; provided, further, in each case, that such Change of Control also constitutes a change in control event for purposes of Code Section 409A (as defined below) (a “409A Change of Control”). A “Public Offering” means an underwritten initial public offering and sale, registered under the Securities Act, of shares of Hillman’s common stock. In the event the Change of Control is not a 409A Change in Control, the payments described in this Section 4(e) shall still be paid, but the schedule of such payments shall be the schedules described in Section 4(d).

(f) The amounts payable pursuant to Sections 4(d) and 4(e) are mutually exclusive, and under no circumstances shall Executive be entitled to receive payments under both Sections.

(g) Executive agrees and acknowledges that Executive shall be responsible for the payment of any and all taxes arising from continued coverage under the Company's benefit plans.

(h) Upon the termination of the Employment Period, to the extent permitted under the terms of any applicable life insurance policy, Executive shall be permitted to purchase from the Company life insurance policies issued in his name; provided that Executive pays the purchase price of any such life insurance policies, including any fees and expenses associated with such a transfer.

(i) For purposes of this Agreement, "Cause" is defined as (i) willful failure to substantially perform duties hereunder, other than due to Disability; (ii) willful act which constitutes gross misconduct or fraud and which is injurious to Hillman or its Subsidiaries; (iii) conviction of, or plea of guilty or no contest, to a felony or (iv) material breach of any confidentiality, non-compete or non-solicitation agreement (including Sections 6 and 7 hereof) with the Company which is not cured within ten (10) days after written notice from the Company.

(j) For purposes of this Agreement, "Good Reason" means termination of this Agreement by Executive due to (i) any material diminution in Executive's position, authority or duties with the Company as set forth in Section 2, (ii) the Company reassigning Executive to work at a location that is more than seventy-five (75) miles from his then current work location, (iii) to the extent the Chief Executive Officer of Hillman is entitled to a board seat pursuant to the Stockholders Agreement, the removal without cause of Executive as a director of Hillman, (iv) any amendment to the Company's bylaws which results in a material and adverse change to the officer and director indemnification provisions contained therein or (v) a material breach of Sections 3 or 4 of this Agreement by the Company, which in each case of (i) through (v) is not cured within 10 days following written notice from Executive. For purposes of this Agreement, the "Stockholders Agreement" means the Stockholders Agreement dated as of May 28, 2010, by and among OHCP and the other stockholders named therein. Executive must provide notice of resignation for Good Reason to the Board within ninety (90) days following Executive's knowledge of the event or facts constituting Good Reason, otherwise such event or facts shall not constitute Good Reason under this Agreement.

(k) For purposes of this Agreement, "Disability" shall mean Executive's inability to perform the essential duties, responsibilities and functions of his position with the Company and its Subsidiaries for more than 26 weeks in any 12-month period as a result of any mental or physical disability or incapacity as defined in the Americans with Disabilities Act or as otherwise determined by the Board in its reasonable good faith judgment.

5. Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A or damages to Executive for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or

benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) To the extent that severance payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by Executive of a release of claims, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of Executive's termination of employment. If the foregoing release is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

(i) To the extent any such cash payment or continuing benefit to be provided is not "deferred compensation" for purposes of Code Section 409A, then such payment or benefit shall commence upon the first scheduled payment date immediately after the date the release is executed and no longer subject to revocation (the "Release Effective Date"). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive's termination of employment.

(ii) To the extent any such cash payment or continuing benefit to be provided is "deferred compensation" for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60) day following Executive's termination of employment. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive's termination of employment.

The Company may provide, in its sole discretion, that Executive may continue to participate in any benefits delayed pursuant to this section during the period of such delay, provided that Executive shall bear the full cost of such benefits during such delay period. Upon the date such benefits would otherwise commence pursuant to this Section, the Company may reimburse Executive the Company's share of the cost of such benefits, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, in each case had such benefits commenced immediately upon Executive's termination of employment. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the schedule and procedures specified herein.

(d) To the extent that this Agreement provides for the reimbursement of expenses or the provision of in-kind benefits that constitute "non-qualified deferred compensation" under Code Section 409A, the following shall apply: (i) All such reimbursements shall be made on or prior to the last day of the taxable year following the taxable year in which

such expenses were incurred by the Employee; (ii) Any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; and (iii) No such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(e) For purposes of Code Section 409A, Executive's right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

(f) Whenever a payment under this Agreement specifies a payment period with reference to a number of days e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(g) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

6. Confidential Information.

(a) Obligation to Maintain Confidentiality. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his employment with the Company and its Subsidiaries concerning the business or affairs of Hillman or any its Subsidiaries ("Confidential Information") are the property of Hillman or such Subsidiary. Therefore, Executive agrees that he shall not at any time during the Employment Period or thereafter disclose to any person or entity or use for his own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a result of Executive's acts or omissions. Executive shall deliver to the Company at the termination of the Employment Period, or at any other time the Company may request in writing, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Confidential Information, Third Party Information (as defined in Section 6(b) below), Work Product (as defined in Section 6(c) below) or the business of Hillman or any other Subsidiaries which he may then possess or have under his control.

(b) Third Party Information. Executive understands that Hillman and its Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on Hillman's and its Subsidiaries' and affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of Section 6(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel of Hillman or its Subsidiaries and affiliates who need to know such information in connection with their work for Hillman or such Subsidiaries and affiliates) or use, except in connection with his work for Hillman or its Subsidiaries and affiliates, Third Party Information unless expressly authorized by a member of the Board in writing.

(c) Intellectual Property, Inventions and Patents. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any confidential information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) which relate to Hillman's or any of its Subsidiaries' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive (whether alone or jointly with others) while employed by the Company and its Subsidiaries, whether before or after the Effective Date ("Work Product"), belong to the Company or such Subsidiary. Executive hereby assigns to the Company all rights, title and interest throughout the world in the Work Product. Executive further waives all moral rights in the Work Product, including, without limitation, the right to the integrity of the Work Product, the right to be associated with the Work Product in any way, the right to restrain or claim damages for any distortion, mutilation or other modification of the Work Product, and the right to restrain the use or reproduction of the Work Product in any context and in connection with any product, service, cause or institution, effective at the time the particular Work Product is created. Executive shall promptly disclose such Work Product to the Board and, at the Company's expense, perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments). Executive acknowledges that all Work Product shall be deemed to constitute "works made for hire" under the U.S. Copyright Act of 1976, as amended.

7. Non-Compete, Non-Solicitation.

(a) Non-Compete. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his employment with the Company and its Subsidiaries he has and shall become familiar with the Company's trade secrets and with other Confidential Information and that his services have been and shall continue to be of special, unique and extraordinary value to the Company and its Subsidiaries. Therefore, Executive agrees that, during the Employment Period and (i) in the event of termination of the Employment Period by the Company without Cause or resignation by Executive with Good Reason (which, for the avoidance of doubt, includes any such termination of employment following a Change in Control), two (2) years following the date of such termination of the Employment Period, or (ii) in the event of any other termination of the Employment Period, one (1) year following the date of such termination of the Employment Period, Executive shall not, directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage in any business competing with the businesses of the Company or its Subsidiaries, as such businesses exist or are in the process of being implemented during the Employment Period or on the date of the termination of the Employment Period (as applicable, the "Restricted Period"), within any geographical area in which the Company or its Subsidiaries engage or plan to engage in such businesses. Executive acknowledges (A) that the business of the Company and its Subsidiaries will be conducted throughout North America, (B) notwithstanding the state of incorporation or principal office of the Company or any of its Subsidiaries, or any of its executives or employees (including the Executive), it is expected that the Company and its Subsidiaries will have business activities and have valuable business relationships within its industry throughout North America and (C) as part of his responsibilities, Executive will be traveling throughout North America in furtherance of the business and relationships of the Company and its Subsidiaries. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is

publicly traded, so long as Executive has no active participation in the business of such corporation. Notwithstanding the foregoing, the Company, in its discretion, may elect, by written notice (the "Company Election Notice") to Executive not later than thirty (30) days following the termination of the Employment Period, to extend the Restricted Period described in clause (ii) of the second sentence of this Section 7(a) by one (1) year, in consideration of payment to Executive of an amount equal to Executive's Base Salary as in effect immediately prior to the termination of the Employment Period, payable in substantially equal installments for one (1) year in accordance with the Company's payroll practices, commencing on the first anniversary of the termination of the Employment Period, subject to Executive's delivery of an executed and irrevocable Release Agreement substantially similar to Exhibit A hereof within sixty (60) days following receipt of the Company Election Notice and subject to Executive's not having breached the provisions of Section 6 and this Section 7.

(b) Non-Solicitation. During the Employment Period and for two (2) years following the date of termination of the Employment Period, Executive shall not directly or indirectly through another person or entity (i) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (ii) hire any person who was an employee of the Company or any Subsidiary at any time during the Employment Period or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business (or materially reduce the amount of business done) with the Company or such Subsidiary, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary (including, without limitation, making any negative or disparaging statements or communications regarding the Company or its Subsidiaries).

(c) Scope of Restrictions. If, at the time of enforcement of this Section 7, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(d) Equitable Relief. In the event of the breach or a threatened breach by Executive of any of the provisions of this Section 7, the Company would suffer irreparable harm, and in addition and supplementary to other rights and remedies existing in its favor, the Company shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). In addition, in the event of a breach or violation by Executive of this Section 7, the time periods referenced in this Section 7 shall be automatically extended by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured.

8. Executive's Representations. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement or confidentiality agreement with any other person or entity and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding

obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges that the provisions of Section 7 above are in consideration of (i) employment with the Company and (ii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in Section 7 above are reasonable, do not preclude him from earning a livelihood, that he has reviewed his rights and obligations under this Agreement with his legal counsel and that he fully understands the terms and conditions contained herein. In addition, Executive agrees and acknowledges that the potential harm to the Company of the non-enforcement of Section 7 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Company now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

9. Survival. Sections 4(b) through 22, inclusive, shall survive and continue in full force in accordance with their terms notwithstanding the expiration or termination of the Employment Period.

10. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight courier service or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

Notices to Executive:

At the last known address in the Company's personnel records.

Notices to the Company:

The Hillman Group, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231
Attn: Douglas D. Roberts, General Counsel and Secretary

and

Oak Hill Capital Partners
One Stamford Plaza
263 Tresser Blvd., 15th Floor
Stamford, CT 06901
Fax: (203) 724-2815
Attn: Tyler J. Wolfram

With copies, which shall not constitute notice, to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Fax: (212) 492-0570
Attn: Angelo Bonvino

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when so delivered, sent or mailed.

11. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any action in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. Complete Agreement. This Agreement and those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way (including, without limitation, the Preceding Employment Agreement, which shall be terminated and of no further force or effect as of the Effective Date, but excluding any breaches thereof by either party prior to the Effective Date).

13. No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

14. Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

15. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

16. Choice of Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

17. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company (as approved by the Board) and Executive, and no course of conduct or course of dealing or failure or delay by any party hereto in enforcing or exercising any of the provisions of this Agreement (including, without limitation, the Company's right to terminate the Employment Period for Cause) shall affect the validity, binding effect or enforceability of this Agreement or be deemed to be an implied waiver of any provision of this Agreement.

18. Insurance. The Company may, at its discretion, apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered advisable. Executive agrees to cooperate in any medical or other

examination, supply any information and execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

19. Indemnification and Reimbursement of Payments on Behalf of Executive. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes (“Taxes”) imposed with respect to Executive’s compensation or other payments from the Company or any of its Subsidiaries or Executive’s ownership interest in the Company (including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity). In the event the Company or any of its Subsidiaries does not make such deductions or withholdings, Executive shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

20. MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

21. Corporate Opportunity. During the Employment Period, Executive shall submit to the Board all business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the areas of business engaged in by the Company at any time during the Employment Period (“Corporate Opportunities”). Unless approved by the Board, Executive shall not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive’s own behalf.

22. Executive’s Cooperation. During the Employment Period and thereafter, Executive shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial proceeding or any dispute with a third party as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company’s request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive’s possession, all at times and on schedules that are reasonably consistent with Executive’s other permitted activities and commitments). In the event the Company requires Executive’s cooperation in accordance with this paragraph, the Company shall reimburse Executive solely for reasonable travel expenses (including lodging and meals) upon submission of receipts.

23. Directors' and Officers' Liability Insurance. Executive shall be a beneficiary of any directors' and officers' liability insurance policy maintained by the Company so long as Executive remains an officer or director of the Company.

24. Executive Acknowledgement/Independent Legal Advice. Executive acknowledges that he has carefully read and considered the provisions of this Agreement. Executive further acknowledges that he has had the opportunity to seek independent legal advice, and has either obtained such independent legal advice with regard to this Agreement, or has expressly determined not to seek such advice. The Executive further acknowledges that he is entering into this Agreement with full knowledge of the contents, nature and consequences of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Employment Agreement as of the date first written above.

THE HILLMAN GROUP, INC.

By: /s/ Douglas D. Roberts
Douglas D. Roberts
General Counsel and Secretary

/s/ James P. Waters
James P. Waters

EXHIBIT A
GENERAL RELEASE

I, James P. Waters, in consideration of and subject to the performance by The Hillman Companies, Inc., a Delaware corporation (together with its subsidiaries, the "Company"), of its obligations under the Amended and Restated Employment Agreement, dated as of May 23, 2013, and effective as of July 1, 2013 (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its affiliates and all present and former directors, officers, agents, representatives, employees, successors and assigns of the Company and its affiliates and the Company's direct or indirect owners (collectively, the "Released Parties") to the extent provided below.

1. I understand that any payments or benefits paid or granted to me under Sections 4(d) and 4(e) of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in Sections 4(d) and 4(e) of the Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter or breach this General Release. I also acknowledge and represent that I have received all payments and benefits that I am entitled to receive (as of the date hereof) by virtue of any employment by the Company.
2. Except as provided in paragraph 4 below and except for the provisions of my Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act, or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law, or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims").
3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).
5. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims. I further agree that I am not aware of any pending charge or complaint of the type described in paragraph 2 as of the execution of this General Release.
6. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.
7. I agree that I will forfeit all amounts payable by the Company pursuant to the Agreement if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreement.
8. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone. Notwithstanding anything herein to the contrary, each of the parties (and each affiliate and person acting on behalf of any such party) agree that each party (and each employee, representative, and other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this transaction contemplated in the Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to such party or such person relating to such tax treatment and tax structure, except to the extent necessary to comply with any applicable federal or state securities laws. This authorization is not intended to permit disclosure of any other information including (without limitation) (i) any portion of any materials to the extent not related to the tax treatment or tax structure of this transaction, (ii) the identities of participants or potential participants in the Agreement, (iii) any financial information (except to the extent such information is related to the tax treatment or tax structure of this transaction), or (iv) any other term or detail not relevant to the tax treatment or the tax structure of this transaction.

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9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the National Association of Securities Dealers, Inc. (NASD), any other self-regulatory organization or governmental entity.
 10. I agree to reasonably cooperate with the Company in any internal investigation, any administrative, regulatory, or judicial proceeding or any dispute with a third party. I understand and agree that my cooperation may include, but not be limited to, making myself available to the Company upon reasonable notice for interviews and factual investigations; appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process; volunteering to the Company pertinent information; and turning over to the Company all relevant documents which are or may come into my possession all at times and on schedules that are reasonably consistent with my other permitted activities and commitments. I understand that in the event the Company asks for my cooperation in accordance with this provision, the Company will reimburse me solely for reasonable travel expenses (including lodging and meals), upon my submission of receipts.
 11. I agree not to disparage the Company, its past and present investors, officers, directors or employees or its affiliates and to keep all confidential and proprietary information about the past or present business affairs of the Company and its affiliates confidential unless a prior written release from the Company is obtained. I further agree that as of the date hereof, I have returned to the Company any and all property, tangible or intangible, relating to its business, which I possessed or had control over at any time (including, but not limited to, company-provided credit cards, building or office access cards, keys, computer equipment, manuals, files, documents, records, software, customer data base and other data) and that I shall not retain any copies, compilations, extracts, excerpts, summaries or other notes of any such manuals, files, documents, records, software, customer data base or other data.
 12. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.
 13. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- (a) I HAVE READ IT CAREFULLY;
- (b) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- (c) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- (d) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;
- (e) I HAVE HAD AT LEAST 21 DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE SUBSTANTIALLY IN ITS FINAL FORM ON _____, ____ TO CONSIDER IT AND THE CHANGES MADE SINCE THE _____, _____, _____ VERSION OF THIS RELEASE ARE NOT MATERIAL AND WILL NOT RESTART THE REQUIRED 21-DAY PERIOD;
- (f) THE CHANGES TO THE AGREEMENT SINCE _____, _____ EITHER ARE NOT MATERIAL OR WERE MADE AT MY REQUEST;
- (g) I UNDERSTAND THAT I HAVE SEVEN DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
- (h) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND
- (i) I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

DATE: _____

James P. Waters

EXHIBIT B

[OPTION GRANT AGREEMENT]

B-1

May 28, 2013

Max W. Hillman, Jr.
c/o The Hillman Companies, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231

Dear Mick:

As contemplated by the letter dated as of May 23, 2013, between you and The Hillman Group, Inc., a Delaware corporation (the "Company"), and The Hillman Companies, Inc., a Delaware corporation ("Parent"), regarding the Company's Succession Plan, this Separation Agreement (this "Agreement"), dated as of May 28, 2013, sets forth certain terms and conditions relating to the termination of your employment due to your retirement from the Company and Parent.

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company, Parent and you hereby agree as follows:

1. Termination; Treatment under Employment Agreement

(a) Your employment will terminate due to your retirement effective July 1, 2013 (the "Termination Date"). Effective as of July 1, 2013, you hereby resign from your position as President and Chief Executive Officer of Parent and the Company, and the Company and Parent hereby accept your resignation from such positions. Except as modified by this Agreement, the terms of the Employment Agreement between the Company and you, dated as of December 21, 2008, as amended by letter on May 28, 2010 (as so amended, the "Employment Agreement"), will continue in effect from the date hereof through the Termination Date (such period between the date of this Agreement and the Termination Date is referred to as the "Transition Period"). Capitalized terms used in this Agreement that are not otherwise defined shall have the meaning attributed to them in the Employment Agreement or the Stock Option Agreement (as defined below).

(b) During the Transition Period, your duties under Section 2 of the Employment Agreement shall be to assist with the transition of your responsibilities and duties to the Company's new Chief Executive Officer and otherwise to provide transition assistance and support to the Company, as reasonably directed by the Board of Directors of Parent (the "Board") or OHCP HM Acquisition Corp. ("OHCP"), as designee of the Board.

(c) Upon the Termination Date, and without further action by any person, your employment with the Company and Parent shall end and, except as set forth in Sections 1(g) and 1(h) of this Agreement, you shall be deemed to have relinquished any and all titles, positions and appointments with the Company, Parent or any of their respective Subsidiaries or affiliates (collectively, the "Company Group"), whether as an officer, director, employee, consultant, agent or otherwise. You agree to execute such documents as may be requested by the Company to evidence termination of your employment and cessation of service on the Termination Date.

(d) You agree that (i) the termination of your employment shall be treated as a voluntary retirement under the terms of your Employment Agreement and not a termination by the Company without Cause, such that no severance shall be payable to you under the Employment Agreement and (ii) neither the announcement nor the actual appointment of James P. Waters as Chief Executive Officer of Parent and the Company shall constitute Good Reason for purposes of the Employment Agreement or any other agreement with the Company and its affiliates (including your options to acquire stock of OHCP).

(e) In consideration for (i) your continued compliance with the Employment Agreement through the Termination Date without any act or omission that would constitute Cause, (ii) following the Termination Date, your continued compliance with this Agreement, and (iii) following the Termination Date, your continued compliance with the provisions of the Employment Agreement that survive your termination of employment as described in Section 1(k) below, the Company agrees that you shall be entitled to receive the following; provided, however, that in order to receive the payments and benefits referenced in Sections 1(e)(i), 1(e)(iv), 1(g)(ii) and 1(g)(iii), you must enter into this Agreement and not revoke the Release (as defined in Section 4 hereof):

(i) the opportunity to receive your performance bonus award for the 2013 fiscal year so long as the applicable performance goals for the 2013 fiscal year are met, paid in a lump sum at the same time bonuses are generally paid to other executives in respect of the 2013 fiscal year;

(ii) payment in respect of any accrued but unused vacation for the 2013 fiscal year on the Termination Date;

(iii) reimbursement of expenses incurred in the course of and for the purposes of your employment that have been submitted prior to, and are unpaid as of, the Termination Date, within thirty (30) days following the Termination Date; and

(iv) with respect to the options to acquire 4,200 shares of OHCP common stock granted to you on November 23, 2010 pursuant to the OHCP HM Acquisition Corp. 2010 Stock Option Plan Stock Option Agreement (the "Stock Option Agreement"), of which options with respect to 1,260 shares will have vested as of the Termination Date, you will have the opportunity to vest in additional options as follows: (A) subject to your continued service in accordance with both Sections 1(g) and 1(h), an additional 280 Service Options will vest on May 28, 2014 and an additional 280 Service Options will vest on May 28, 2015; (B) subject to your continued service in accordance with both Section 1(g) and Section 1(h) through December 31, 2013, a portion of your Performance Options, including the unearned portion of the 2010 fiscal year installment (140 Performance Options) and the entire portion of the 2013 fiscal year installment (280 Performance Options), will be eligible for vesting based on the achievement of the annual EBITDA targets for the 2013 fiscal year; (C) if a Change in Control occurs within 12 months following the Termination Date, (x) 50% of your Outcome-Based Options will vest if OH IRR equals or exceeds 15%; and (y) an additional 50% of your Outcome-Based Options will vest if OH IRR equals or exceeds 17.5%; and, (D) subject to your continued service in accordance with Section 1(g) through the end of the Consulting Period or, if earlier, through the date of a Change in Control, and Section 1(h) through the date of a Change in Control, then, if a Change in Control occurs following the 12-month anniversary of the Termination Date, up to 840 shares of your Outcome-Based Options will be eligible to vest (i.e., 420 shares of your Outcome-Based Options vest if OH IRR equals or exceeds 15% and an additional 420 vest if OH IRR equals or exceeds 17.5%). Notwithstanding the foregoing, all Outcome-Based Options that do not become vested and exercisable in connection with a Change in Control that occurs either within or following the 12-month anniversary of the Termination Date (due to applicable OH IRR thresholds not being met) shall be immediately canceled and terminated without payment or consideration therefor upon consummation of such Change in Control. Further, the provisions of Section 2(d)(ii) of the Stock Option Agreement will be modified as follows: subject to your continued service in accordance with Section 1(g) through the end of the Consulting Period or, if earlier, through the date of a Change in Control, and Section 1(h) through the date of a Change in Control, only those Performance Options outlined above (the 140 Performance Options and the 280 Performance Options set forth in clause (B) above), to the extent that such options are still unvested and have not yet become eligible to vest, will vest upon the occurrence of a Change in Control that occurs after the

Termination Date; provided that OH IRR equals or exceeds 17.5%. All other Performance Options are cancelled as of the Termination Date. Except as modified in this Section 1(e)(iv), the Stock Option Agreement will remain in full force and effect.

(f) For the avoidance of doubt, payment of your car allowance and club membership reimbursement pursuant to Section 3(a) of the Employment Agreement will be discontinued as of the Termination Date.

(g) Commencing on the Termination Date, for the thirty (30) month period following the Termination Date (the "Consulting Period"), you shall provide the Consulting Services (defined below) to the Company:

(i) For purposes of this Agreement, the "Consulting Services" shall mean those consulting services and activities related to the functions that you performed as an employee of the Company, as may be reasonably requested by the Board or OHCP, as designee of the Board, which shall primarily include continued advice in connection with (A) the transition of the Company's leadership, (B) assistance with litigation involving the Company and which relates to events occurring during your employment with the Company, (C) assistance with the transition of customer relationships, (D) questions from the Chief Executive Officer and Chief Financial Officer of the Company and (E) such other matters as mutually agreed to between the Company and you.

(ii) Subject to your execution of an irrevocable Release, the Company shall pay you (A) an amount equal to six (6) months' of your monthly base salary as in effect as of the Termination Date for the first six (6) months of the Consulting Period in substantially equal installments and, (B) for the remainder of the Consulting Period, a fee of \$50,000 per annum, payable quarterly in arrears on or before the fifth business day of the second calendar month immediately following the end of each calendar quarter during such period (clause (A) and (B) collectively, the "Consulting Fee"). The Company shall also reimburse you for all reasonable travel and other business-related out-of-pocket expenses you incur in performing the Consulting Services in accordance with its then-prevailing policies and procedures for expense reimbursement (which shall include appropriate itemization and substantiation of expenses incurred); provided that such expenses are incurred with the prior written approval of the Company and you provide the Company with an itemized invoice of the expenses incurred (and provided that the Company shall make such reimbursement following your providing the Company with such an invoice).

(iii) Subject to your execution of an irrevocable Release, you shall continue to receive health plan coverage for you and your spouse at the same rate applicable to active employees, subject to your payment of applicable premiums and so long as your participation is permitted under the terms of the Company's health plans, until the end of the Consulting Period; provided that if the Company's plans prohibit your participation, you shall be entitled to a cash payment equal to the Company-paid portion of such continued health coverage.

(iv) The Consulting Period shall terminate prior to the expiration of the thirty-month period without further payment of unearned Consulting Fees on the earlier of (w) your death, (x) your physical or mental incapacitation which renders you unable or unwilling to provide the Consulting Services for a period of 90 days at the same level of quality prior to such incapacity, (y) upon your violation of any of the Restrictive Covenants (as defined below) or (z) your failure to provide the Consulting Services; provided, however, that the Company may not terminate payment of the Consulting Fee by reason of clause (z) of this Section 1(g)(iv) unless the Company provides you written notice of such failure and 30 days to cure such failure as detailed in the written notice. For the avoidance of doubt, if the Company terminates your Consulting Services hereunder prior to the occurrence of any of the events listed in the

immediately prior sentence, the Company shall continue to pay you the Consulting Fee on the same quarterly basis without regard to your continued consultancy, and the treatment of your stock options described in Section 1(e)(iv) hereof shall continue to apply without any condition referred to therein that you continue to provide Consulting Services under this Section 1(g) through any given date.

(v) The Company and you acknowledge that during the Consulting Period: (A) you are an independent contractor (and not (and shall not hold yourself out as) an employee) of any member of the Company Group, (B) you shall not have any right to act for, represent or otherwise bind any member of the Company Group in any manner and (C) you shall not be entitled to participate in any employee benefit plans or programs of the Company or its affiliates (except as specifically provided in this Agreement).

(h) From and after the Termination Date and until otherwise requested by OHCP or as mutually agreed upon between you and OHCP, you shall serve as a member of the Board. In consideration for your service on the Board, you shall be paid fees at the rate of \$50,000 per annum, paid quarterly in arrears on or before the fifth business day of the second calendar month immediately following the end of each calendar quarter during the applicable period. The Company shall also reimburse you for all reasonable travel and other business related out-of-pocket expenses you incur in performing your services as a member of the Board in accordance with its then-prevailing policies and procedures for expense reimbursement applicable to other outside directors (which shall include appropriate itemization and substantiation of expenses incurred). For the avoidance of doubt, if the Company terminates your service as a member of the Board hereunder for any reason other than those set forth in clauses (w) through (z) of Section 1(g)(iv) (with references to Consulting Services in such clauses (x) and (z) being replaced with references to your Board service), the treatment of your stock options described in Section 1(e)(iv) hereof shall continue to apply without any condition referred to therein that you continue to provide services under this Section 1(h) through any given date.

(i) You agree that, except as otherwise set forth in this Agreement, no member of the Company Group currently owes you any additional payments, including, without limitation, compensation, remuneration, bonuses, incentive payments, benefits, stock options, warrants, restricted stock units, severance, reimbursement of expenses or commissions of any kind whatsoever, whether under contract or arising under applicable law or regulations.

(j) You acknowledge and agree that the duration of your obligations under Section 7(a) and 7(b) of the Employment Agreement shall continue until the later of (A) the expiration of the duration specified therein or (B) the expiration of the six-month period following the date you cease to provide services under this Agreement. You further acknowledge and agree that the continued payment of any and all payments and benefits to which you are entitled under this Agreement are conditional upon and subject to your compliance with the restrictive covenants set forth in Sections 6 and 7 of the Employment Agreement as modified by this Agreement (the "Restrictive Covenants"). In the event of your breach of any of the Restrictive Covenants, in addition to any other remedy which may be available at law or in equity, unless otherwise expressly provided by applicable law, the Company's obligation to make further payments under this Agreement shall cease upon the date of such breach.

(k) The Employment Agreement, as modified by this Agreement, shall continue until the Termination Date and terminate upon the Termination Date, without any further force or effect, except that Sections 6 through 8, 11 through 23 inclusive of the Employment Agreement shall survive.

2. Agreements and Acknowledgements. As an inducement to the willingness of the Company to enter into this Agreement, and as a condition to the Company's agreements under Section 1 above, you hereby agree as follows:

(a) Cooperation. From the Termination Date and thereafter, you shall cooperate with the Company and its Subsidiaries in any internal investigation, any administrative, regulatory or judicial proceeding or any dispute with a third party as reasonably requested by the Company (including, without limitation, your being available to the Company upon reasonable notice for interviews and factual

investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into your possession, all at times and on schedules that are reasonably consistent with your other permitted activities and commitments) In the event that the Company requires your cooperation in accordance with this paragraph, the Company shall reimburse you solely for reasonable travel expenses (including lodging and meals) upon submission of receipts.

(b) **Communications.** The Company and you shall cooperate and mutually agree with respect to the issuance of any announcement to, or other communications you may have with, employees, clients, the press, media, analysts, or current or potential debt or equity investors in any member of the Company Group with respect to the confidential business of the Company or OHCP, and your employment with (and departure from) the Company, including, but not limited to, communications with respect to the terms, conditions and circumstances of this Agreement.

(c) **Authority.** Effective as of the Termination Date, you shall have no authority to act on behalf of any member of the Company Group, and shall not hold yourself out as having such authority, enter into any agreement or incur any obligations on behalf of any member of the Company Group, commit any member of the Company Group in any manner or otherwise act in an executive or other decision-making capacity with respect to any member of the Company Group.

(d) **Return of Property.** Upon the expiration or earlier termination of the Consulting Period or such earlier date as requested by the Company in writing, you shall deliver to the Company and retain no copies of (or shall destroy) any memoranda, notes, lists, records or other documents or papers (and all copies thereof), including items stored in computer memories, on microfilm or by other means, made or compiled by you, or made available to you, relating to the Company, OHCP or any of their respective affiliates, subsidiaries or businesses, and all equipment and property of the Company which may be in your possession or under your control, whether at the Company's offices, your home or elsewhere, including all such papers, work papers, notes, documents, telephones, computers and any other equipment in your possession. You agree that all such material is and shall remain the property of the Company. You may nonetheless retain copies of publicly-filed or publicly-available documents; documents relating to your compensation, your service as a member of the Board, or your personal entitlements and obligations; your rolodex (and electronic equivalents); and the like. Upon request of the Company, you will certify that you have complied with this provision.

3. No Effect on Other Rights and Obligations. Except as otherwise specifically provided in this Agreement, nothing in this Agreement is intended to modify any rights (including with respect to indemnification in respect of your service as an officer and employee of the Company Group) to which you may be entitled under the Company's charter and by-laws or other constituent documents of any member of the Company Group.

4. Release of Claims. Payments will not be paid under Sections 1(e)(i), 1(e)(iv), 1(g)(ii) and 1(g)(iii) of this Agreement, unless you deliver to the Company an executed Release in the form of Exhibit A attached hereto (the "**Release**"). To the extent that payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by you of the Release, you shall forfeit all rights to such payments and benefits unless such Release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of your termination of employment.

5. Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or damages to you for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) To the extent that payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by you of the Release, you shall forfeit all rights to such payments and benefits unless such Release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of your termination of employment. If the foregoing Release is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

(i) To the extent any such cash payment or continuing benefit to be provided is not "deferred compensation" for purposes of Code Section 409A, then such payment or benefit shall commence upon the first scheduled payment date immediately after the date the Release is executed and no longer subject to revocation (the "Release Effective Date"). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon your termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following your termination of employment.

(ii) To the extent any such cash payment or continuing benefit to be provided is "deferred compensation" for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60th) day following your termination of employment. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon your termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following your termination of employment.

The Company may provide, in its sole discretion, that you may continue to participate in any benefits delayed pursuant to this Section during the period of such delay, provided that you shall bear the full cost of such benefits during such delay period. Upon the date such benefits would otherwise commence pursuant to this Section, the Company may reimburse to you the Company's share of the cost of such benefits, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to you, in each case had such benefits commenced immediately upon your termination of employment. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the schedule and procedures specified herein.

(d) To the extent that this Agreement provides for the reimbursement of expenses or the provision of in-kind benefits that constitute "non-qualified deferred compensation" under Code Section 409A, the following shall apply: (i) all such reimbursements shall be made on or prior to the last

day of the taxable year following the taxable year in which such expenses were incurred by you; (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; and (iii) no such reimbursement, expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(e) For purposes of Code Section 409A, your right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

(f) Whenever a payment under this Agreement specifies a payment period with reference to a number of days e.g., “payment shall be made within thirty (30) days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(g) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “deferred compensation” for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

6. Miscellaneous.

(a) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(b) Withholding Taxes. The Company and its Subsidiaries shall be entitled to deduct or withhold from any amounts owing from the Company or any of its Subsidiaries to you any federal, state, local or foreign withholding taxes, excise tax, or employment taxes (“Taxes”) imposed with respect to your compensation or other payments from the Company or any of its Subsidiaries or your ownership interest in the Company (including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity). In the event that the Company or any of its Subsidiaries does not make such deductions or withholdings, you shall indemnify the Company and its Subsidiaries for any amounts paid with respect to any such Taxes, together with any interest, penalties and related expenses thereto.

(c) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you, the Company and their respective heirs, successors and assigns, except that you may not assign you rights or delegate you duties or obligations hereunder without the prior written consent of the Company.

(e) Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight courier service or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

Notices to you:

At the last known address in the Company’s personnel records.

With a copy, which shall not constitute notice, to:

Katz, Teller, Brant & Hild
255 East Fifth Street, Suite 2400
Cincinnati, OH 45202
Attn: Mark J. Jahnke
Fax: (513) 762-0035
Email: mjahnke@katzteller.com

Notices to the Company:

The Hillman Group, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231
Attn: Chief Financial Officer

and

Oak Hill Capital Partners
One Stamford Plaza
263 Tresser Blvd., 15th Floor
Stamford, CT 06901
Fax: (203) 724-2815
Attn: Tyler J. Wolfram

With copies, which shall not constitute notice, to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Fax: (212) 492-0570
Attn: Angelo Bonvino, Esq.

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when so delivered, sent or mailed.

(f) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any action in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(g) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(h) Complete Agreement. This Agreement and those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding

among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way (including, without limitation, the Employment Agreement, excluding those provisions that are specifically provided to survive pursuant to this Agreement in Section 1(k), which shall be terminated and of no further force or effect as of the Termination Date, but excluding any breaches thereof by either party prior to the date hereof).

(i) Choice of Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(j) Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company (as approved by the Board) and you, and no course of conduct or course of dealing or failure or delay by any party hereto in enforcing or exercising any of the provisions of this Agreement (including, without limitation, the Company's right to terminate your employment for Cause) shall affect the validity, binding effect or enforceability of this Agreement or be deemed to be an implied waiver of any provision of this Agreement.

(k) MUTUAL WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

[Remainder of this page intentionally left blank.]

Please indicate your understanding and acceptance of this Agreement by executing both copies below, and retaining one fully executed original for your files and returning one fully executed original to me.

Very truly yours,

THE HILLMAN COMPANIES, INC.

By: /S/ JAMES P. WATERS

Name: James P. Waters

Title: Executive Vice President and
Chief Operating Officer

THE HILLMAN GROUP, INC.

By: /S/ JAMES P. WATERS

Name: James P. Waters

Title: Executive Vice President and
Chief Operating Officer

I hereby accept the terms of this Agreement and agree to abide by the provisions hereof:

/s/ MAX W. HILLMAN, JR.

Max W. Hillman, Jr.

Date: May 28, 2013

[Signature Page to Separation Agreement with Max Hillman]

ANNEX A
GENERAL RELEASE

I, Max W Hillman, Jr., in consideration of and subject to the performance by The Hillman Companies, Inc., a Delaware corporation (together with its subsidiaries, the "Company"), of its obligations under the Separation Agreement, dated as of May 28, 2013 (the "Separation Agreement"), which supersedes, to the extent provided therein, the Amended and Restated Employment Agreement, dated as of December 21, 2008, as amended by letter on May 28, 2010 and the Stock Option Agreement, dated as of November 23, 2010 (collectively, the "Agreements"), do hereby release and forever discharge as of the date hereof the Company and its affiliates and all present and former directors, officers, agents, representatives, employees, successors and assigns of the Company and its affiliates and the Company's direct or indirect owners (collectively, the "Released Parties") to the extent provided below:

1. I understand that any payments or benefits paid or granted to me under Sections 1(e)(i), 1(e)(iv), 1(g)(ii) and 1(g)(iii) of the Separation Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in Sections 1(e)(i), 1(e)(iv), 1(g)(ii) and 1(g)(iii) of the Separation Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter or breach this General Release. I also acknowledge and represent that I have received all payments and benefits that I am entitled to receive (as of the date hereof) by virtue of any employment by the Company.
2. Except as provided in paragraph 4 below and except for the provisions of the Agreements which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executor, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act), the Equal Pay Act of 1963, as amended, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Worker Adjustment Retraining and Notification Act, the Employee Retirement Income Security Act of 1974, any applicable Executive Order Programs, the Fair Labor Standards Act, or their state or local counterparts, or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance, or under any public policy, contract or tort, or under common law, or arising under any policies, practices or procedures of the Company, or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation, or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims").
3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action or other matter covered by paragraph 2 above.
4. I agree that this General Release does not waive or release any rights or claims that I may have: (i) under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this

General Release; provided, that, I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreements shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967); (ii) under any benefit or retirement plan of the Company; (iii) to the extent covered by insurance under any policy maintained by the Company which relate to occurrences prior to the Termination Date; (iv) to be indemnified to the maximum extent permitted by law for any claim to which I may be or become subject to as a result of having served as an officer, director, employee of or consultant to the Company; or (v) rights I may have with respect to stock ownership in the Company (2,000 shares held in the name of the Max William Hillman 2012 Spousal GST Trust), including, without limitation, those provided for in the Stockholder Agreement dated May 28, 2010.

5. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreements. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims. I further agree that I am not aware of any pending charge or complaint of the type described in paragraph 2 as of the execution of this General Release.
6. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.
7. I agree that I will forfeit all amounts payable by the Company pursuant to the Agreements if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreements.
8. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone. Notwithstanding anything herein to the contrary, each of the parties (and each affiliate and person acting on behalf of any such party) agree that each party (and each employee, representative and other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this transaction contemplated in the Agreements and all materials of any kind (including opinions or other tax analyses) that are provided to such party or such person relating to such tax treatment and tax structure, except to the extent necessary to comply with any applicable federal or state securities laws. This authorization is not intended to permit disclosure of any other information including (without limitation) (i) any portion of any materials to the extent not related to the tax treatment or tax structure of this transaction, (ii) the identities of participants or potential participants in the Agreements, (iii) any financial information (except to the extent such information is related to the tax treatment or tax structure of this transaction), or (iv) any other term or detail not relevant to the tax treatment or the tax structure of this transaction.

9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the National Association of Securities Dealers, Inc. (NASD), any other self-regulatory organization or governmental entity.
10. I agree to reasonably cooperate with the Company in any internal investigation, any administrative, regulatory or judicial proceeding or any dispute with a third party. I understand and agree that my cooperation may include, but not be limited to, making myself available to the Company upon reasonable notice for interviews and factual investigations; appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process; volunteering to the Company pertinent information; and turning over to the Company all relevant documents which are or may come into my possession all at times and on schedules that are reasonably consistent with my other permitted activities and commitments. I understand that in the event the Company asks for my cooperation in accordance with this provision, the Company will reimburse me solely for reasonable travel expenses (including lodging and meals), upon my submission of receipts.
11. I agree not to disparage the Company, its past and present investors, officers, directors or employees or its affiliates and to keep all confidential and proprietary information about the past or present business affairs of the Company and its affiliates confidential unless a prior written release from the Company is obtained. I further agree that upon the expiration or, if earlier, termination of the services described in Section 1(g) of the Separation Agreement, I will return to the Company any and all property, tangible or intangible, relating to its business, which I possessed or had control over at any time (including, but not limited to, company-provided credit cards, building or office access cards, keys, computer equipment, manuals, files, documents, records, software, customer data base and other data) and that I shall not retain any copies, compilations, extracts, excerpts, summaries or other notes of any such manuals, files, documents, records, software, customer data base or other data.
12. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreements after the date hereof.
13. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

1. I HAVE READ IT CAREFULLY;
2. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;

-
3. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
 4. I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO;
 5. I HAVE HAD AT LEAST 21 DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE SUBSTANTIALLY IN ITS FINAL FORM;
 6. I UNDERSTAND THAT I HAVE SEVEN DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
 7. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND
 8. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

DATE: _____, 20__

Max W. Hillman, Jr.

KTBH:4812-4829-7492.2

JIM WATERS TO SUCCEED MICK HILLMAN AS CEO OF HILLMAN***Mr. Hillman to Retire as CEO after Leading Company through 30 Years of Growth***

CINCINNATI, May 23, 2013 /PRNewswire-FirstCall/ — The Hillman Companies, Inc. (Amex: HLM.PR) (“Hillman”) announced today that Executive Vice President and Chief Operating Officer James P. Waters will succeed Max W. (“Mick”) Hillman as Chief Executive Officer, effective July 1, 2013. Mr. Waters, who had previously served as Chief Financial Officer of Hillman, also joins Hillman’s Board of Directors, effective immediately. Mr. Hillman, who will retire as CEO after 44 years with the company, will retain a seat on Hillman’s Board of Directors.

During his extraordinary career, Mr. Hillman grew his father’s hardware distributorship into a leading international value-added distributor serving multiple retail channels and product categories. Mr. Hillman said, “I want to thank all of the employees of Hillman for making the past 44 years so successful for our company. I am fortunate not only to have had the opportunity to lead this great organization through 30 years of uninterrupted growth, but also to have a leader of Jim’s caliber to hand the reins to. I look forward to supporting him in his new role and am confident that Hillman will flourish under his leadership.”

Tyler J. Wolfram, Chairman of the Board of Directors and a Managing Partner of Oak Hill Capital Partners, said, “We are extremely grateful to Mick for his many years of leadership and for his partnership with Oak Hill Capital, and we look forward to continuing our relationship with him in his role on the Board. With over two decades in the industry and 14 years at Hillman, Jim assumes the role of CEO with a proven track record of delivering strong financial and operational results. Hillman is currently presented with a number of exciting growth opportunities, and Jim is the right individual to lead the company into the future.”

Mr. Waters joined Hillman in 1999 as CFO and was promoted to EVP/COO in 2011. He served in these positions through a period of extensive growth, including seven acquisitions, significant market share gains and successful international expansion. During his tenure as COO, Hillman made its largest acquisition to date, H. Paulin & Company, which provided the company with an excellent market presence in Canada.

Mr. Waters said, “I am thrilled for the opportunity to lead this outstanding organization. Together with Hillman’s dedicated and accomplished management team, I intend to carry on the culture of best-in-class customer service, commitment to our employees and community involvement that has been cultivated over the past 50 years by the Hillman family.”

About Hillman

Founded in 1964 and headquartered in Cincinnati, Ohio, Hillman is a leading value-added distributor of fasteners, key duplication systems, engraved tags and related hardware items to over 20,000 retail customers in the U.S., Canada, Mexico, South America and Australia, including home improvement centers, mass merchants, national and regional hardware stores, pet supply stores and other retailers. Hillman provides a comprehensive solution to its retail customers for managing SKU intensive, complex home improvement categories. Hillman also offers its customers additional services, such as inventory management and in-store merchandising services.

In May 2010, Oak Hill Capital Partners and Hillman's management team formed a partnership to acquire Hillman. Oak Hill Capital Partners is a private equity firm with more than \$8 billion of initial capital commitments from leading entrepreneurs, endowments, foundations, corporations, pension funds and global financial institutions. For more information about Oak Hill Capital Partners, visit www.oakhillcapital.com.

For more information on Hillman, please visit our website at <http://hillmangroup.com> or call Investor Relations at (513) 851-4900, ext. 2084.