

GLOBAL POWER EQUIPMENT GROUP INC.

FORM 8-K (Current report filing)

Filed 07/27/17 for the Period Ending 07/26/17

Address	400 E. LAS COLINAS BLVD. SUITE 400 IRVING, TX 75039
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Industry	Heavy Electrical Equipment
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**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): **July 26, 2017**

Global Power Equipment Group Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-16501
(Commission
File Number)

73-1541378
(IRS Employer
Identification Number)

400 E. Las Colinas Boulevard, Suite 400
Irving, Texas 75039
(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: **214-574-2700**

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:

- 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))

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

Emerging growth company

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

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

Global Power Equipment Group Inc. (the “*Company*”) today announced that, on July 26, 2017, its Board of Directors (the “*Board*”) has accepted Terence Cryan’s resignation as President, Chief Executive Officer (“*CEO*”), and a director of the Company, and appointed Craig Holmes and Tracy Pagliara as Co-Presidents and Co-CEOs of the Company.

Appointment of Mr. Holmes and Mr. Pagliara as Co-Presidents and Co-CEOs

On July 26, 2017, the Board appointed Craig Holmes and Tracy Pagliara as Co-Presidents and Co-CEOs, effective immediately upon Mr. Cryan’s resignation. In connection with each such appointment, the Board appointed Mr. Holmes and Mr. Pagliara as directors of the Company, in each case, to serve until his successor is duly elected and qualified, or until the earlier of his death, resignation, retirement, or removal from such position.

Mr. Holmes, 60, joined the Company in September 2015 as Senior Vice President of Finance and assumed the role of Chief Financial Officer upon completion of the restatement of the Company’s 2015 and prior-period financial results on March 15, 2017. Previously, from October 2014 to March 2015, he served as the Chief Financial Officer of Goodman Networks Incorporated. Prior to this, he served as Chief Financial Officer of Sizmek, Inc. (formerly Digital Generation, Inc.), a publicly traded open ad management platform company, from October 2012 through its spinoff, merger, and company relocation in May 2014. Mr. Holmes served as Chief Financial Officer of Quickoffice, Inc., a global leader in mobile productivity solutions, from May 2011 through its sale to Google, Inc. in July 2012. From November 2009 to April 2011, Mr. Holmes provided advisory and consulting services to the board and management of Enfora Inc., a privately held global manufacturing and software development company. Mr. Holmes also previously served as Chief Financial Officer at two publicly traded corporations, EXCEL Communications (April 1995 to May 1999) and Intervoice, Inc. (August 2003 to November 2009). Mr. Holmes began his career at Arthur Andersen, where he rose to Partner level before leaving to join EXCEL Communications. He currently serves on the board of directors of Hobi International, Inc., where he has served since August 2009, and Independent Bank Group, where he has served since April 2013.

Mr. Pagliara, 54, has served as the Company’s Chief Administrative Officer, General Counsel, and Secretary since January 2014, and also as Senior Vice President since November 2015. He previously served as the Company’s General Counsel, Secretary, and Vice President of Business Development from April 2010 through December 2013. Prior to joining the Company, Mr. Pagliara served as the Chief Legal Officer of Gardner Denver, Inc., a leading global manufacturer of highly engineered compressors, blowers, pumps, and other fluid transfer equipment, from August 2000 through August 2008. He also had responsibility for other roles during his tenure with Gardner Denver, Inc., including Vice President of Administration, Chief Compliance Officer, and Corporate Secretary. Prior to joining Gardner Denver, Inc., Mr. Pagliara held positions of increasing responsibility in the legal departments of Verizon Communications/GTE Corporation from August 1996 to August 2000 and Kellwood Company from May 1993 to August 1996, ultimately serving in the role of Assistant General Counsel for each company. Mr. Pagliara is a director, and serves on the audit, compensation, and nominating and corporate governance committees, of Uranium Resources, Inc. He is a member of the Missouri and Illinois State Bars and a Certified Public Accountant.

There is no arrangement or understanding between either Mr. Holmes or Mr. Pagliara and any other person pursuant to which he was selected as an officer of the Company and there are no family relationships between Mr. Holmes or Mr. Pagliara and any of the Company’s directors or executive officers. There are no transactions to which the Company is a party and in which either of Mr. Holmes or Mr. Pagliara has a direct or indirect material interest that would be required to be disclosed under Item 404(a) of Regulation S-K.

In connection with the above appointment, the Board promoted Chip Wheelock to Vice President, Administration, General Counsel, and Secretary, with responsibility for legal, compliance, human resources, and insurance. Mr. Wheelock was formerly Vice President, Deputy General Counsel, and Chief Compliance Officer of the Company.

Resignation of Terence Cryan as President and CEO

Mr. Cryan served as President and CEO of the Company since March 2015 and a director of the Company since January 2008.

In connection with his resignation, Mr. Cryan entered into a Separation Agreement (the “*Separation Agreement*”) with the Company, under which he resigned from all positions at the Company effective July 26, 2017 (the “*Separation Date*”). Under the terms of the Separation Agreement, the Company has agreed to pay to Mr. Cryan an amount equal to 18 months of his annual base salary, payable at the same times and in the same increments as if his employment continued from the Separation Date through the 18 month anniversary of the Separation Date, except that payments otherwise payable during the first 90 days after the Separation Date will be aggregated and paid in a lump sum on the next payroll date on or after such 90th day. Mr. Cryan will also be eligible to receive his 2016 annual bonus and a pro-rated 2017 annual bonus, to be determined based on actual Company performance. All of his currently unvested restricted stock units will vest as provided in the relevant award agreements, subject, in certain instances, to pro-ration, and in one instance, an adjustment to the pro-ration formula to provide for the vesting of an additional 84,173 restricted stock units. Mr. Cryan will continue to be covered by the Company’s officers’ and directors’ indemnification policy and related insurance with respect to his service with the Company. The Separation Agreement also includes a standard a non-disparagement covenant, as well as a release of claims, and requires Mr. Cryan to reaffirm the restrictive covenants in his employment agreement. The foregoing description of the Separation Agreement is qualified in its entirety by reference to the full text of the agreement, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated in this Item 5.02 by reference.

Mr. Cryan’s resignation was not due to a disagreement with the Company on any matter relating to the Company’s operations, policies, or practices.

Press Release

On July 27, 2017, the Company issued a press release announcing the matters set forth above. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Separation Agreement, dated as of July 26, 2017, by and between Terence Cryan and Global Power Equipment Group Inc.
99.1	Press release, dated July 27, 2017.

SIGNATURE

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

Dated: July 27, 2017

Global Power Equipment Group Inc.

By: /s/ Tracy D. Pagliara

Tracy D. Pagliara

Co-President and Co-Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Separation Agreement, dated as of July 26, 2017, by and between Terence Cryan and Global Power Equipment Group Inc.
99.1	Press release, dated July 27, 2017.

SEPARATION AGREEMENT

This Separation Agreement (this "Agreement") is made and entered into as of July 26, 2017, by and between Terence J. Cryan ("Executive") and Global Power Equipment Group Inc. (the "Company"). The Company and Executive are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

WHEREAS, Executive and the Company have determined to provide for the termination of Executive's employment with the Company on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Termination of Employment. Effective as of July 26, 2017 (the "Separation Date"), Executive's employment with the Company and its affiliates (including, without limitation, as President and Chief Executive Officer of the Company) shall terminate and Executive shall cease to be an employee and officer of any and all of the foregoing. In addition, as of the Separation Date, Executive shall, and by execution of this Agreement he does, resign from any and all directorships Executive may hold with the Company or any of its affiliates, including from the Board of Directors of the Company (the "Board"). Executive hereby agrees to execute any and all additional documentation the Company may deem necessary or appropriate to effectuate such resignations upon request by the Company, but he shall be treated for all purposes as having so resigned upon the Separation Date, regardless of when or whether he executes any such additional documentation. As used in this Agreement, the term "affiliate" means any entity controlled by, controlling, or under common control with, the Company.

2. Accrued Benefits. The Company shall pay or provide to Executive the following payments and benefits:

(a) Salary and Vacation Pay. By the next regular payroll date after the Separation Date (or such earlier date as required by law), the Company shall issue to Executive his final paycheck, reflecting (i) his earned but unpaid base salary through the Separation Date, and (ii) his accrued but unused vacation pay through the Separation Date.

(b) Expense Reimbursements. The Company, within 30 calendar days after the Separation Date, shall reimburse Executive for any and all reasonable business expenses incurred by Executive in connection with the performance of his duties prior to the Separation Date, which expenses shall be submitted by Executive to the Company with supporting receipts and/or documentation no later than 15 calendar days after the Separation Date.

3. Severance Benefits. If and only if (x) Executive executes the release attached as Exhibit B to this Agreement (the "Release") and (y) the Release becomes irrevocable pursuant to its terms, the Company shall pay or provide to Executive the following payments and benefits:

(a) Salary Continuation. The Company shall pay to Executive an amount equal to 18 months of Executive's annual base salary (*i.e.*, \$1,034,815) payable at the same times and in the same increments as if Executive's employment continued from the Separation Date through the 18 month anniversary of the Separation Date, except that any payments that would otherwise be made between the Separation Date and the 90th day after the Separation Date will be paid on the first regularly scheduled payroll date falling on or after the 90th day after the Separation Date. Notwithstanding anything contained in this Section 3(a) to the contrary, if a Change in Control (as defined in the Company's 2015

Equity Incentive Plan) occurs within 90 days after the Separation Date, the Company shall pay or cause to be paid to Executive on the first regularly scheduled payroll date falling on or after the 90th day after the Separation Date (and in lieu of the amounts described in the first sentence of this Section 3(a)) a lump-sum payment equal to the sum of (i) two times Executive's annual salary in effect on the Separation Date, plus (ii) Executive's "target" short-term incentive opportunity for 2017 (*i.e.*, the sum being \$1,931,654).

(b) Prior-Year Annual Incentive. The Company shall pay to Executive an annual incentive under the Company's Short-Term Incentive Plan for the 2016 fiscal year (without pro-ration), based on actual Company and individual performance during the entire 2016 fiscal year and without regard to any discretionary adjustments that have the effect of reducing the amount of the annual incentive (other than discretionary adjustments applicable to all senior executives who did not terminate employment) (the "Prior-Year Annual Incentive"). The Prior-Year Annual Incentive (if any) shall be paid in a single lump sum at the same time that payments are made to other participants in the Short-Term Incentive Plan for the 2016 fiscal year.

(c) Pro-Rated Annual Incentive. The Company shall pay to Executive an annual incentive under the Company's Short-Term Incentive Plan for the 2017 fiscal year, determined as if Executive had remained employed for the entire 2017 fiscal year (and any additional period of time necessary to be eligible to receive the annual incentive for the year), based on actual Company performance during the entire 2017 fiscal year and without regard to any discretionary adjustments that have the effect of reducing the amount of the annual incentive (other than discretionary adjustments applicable to all senior executives who did not terminate employment), and assuming that any individual goals applicable to Executive were satisfied at the "target" level, pro-rated based on the number of days in the Company's fiscal year through (and including) the Separation Date. The Pro-Rated Annual Incentive (if any) shall be paid in a single lump sum at the same time that payments are made to other participants in the Short-Term Incentive Plan for the 2017 fiscal year (pursuant to the terms of the Short-Term Incentive Plan but in no event later than two and one-half months after the end of the 2017 fiscal year).

(d) Equity Awards. The Parties acknowledge that Exhibit A provides a complete and accurate listing of all outstanding and unvested restricted share units held by Executive as of the Separation Date (the "RSUs"), along with the applicable vesting dates for the RSUs as well as the relevant Pro-Ration Factors for those RSUs that would have otherwise vested on March 30, 2018 or March 31, 2019. As of the date that the Release becomes irrevocable pursuant to its terms (sometimes referred to as the "Effective Release Date"), Executive shall vest in, and be entitled to payment of, the RSUs as follows:

(i) An aggregate of 190,567 RSUs (those that are indicated with a superscript "(1)" on Exhibit A) will vest on the Separation Date and will be paid within five calendar days after the Effective Release Date;

(ii) Those performance-vesting RSUs that are indicated with a superscript "(2)" on Exhibit A will be paid to Executive, in each case: (A) at the same time as would have been the case under the applicable award agreement if Executive's employment continued through date on which the RSUs would have otherwise vested; and (B) at that number of RSUs that would have paid out to Executive if his employment continued through date on which the RSUs would have otherwise vested (which is dependent upon the extent to which applicable performance goals are achieved during the entire applicable Performance Period) multiplied by the Pro-Ration Factor shown in the table on Exhibit A for the RSUs; and

(iii) The remaining RSUs will be forfeited as of the Separation Date.

The Parties acknowledge that pursuant to the terms of the applicable equity plan, Executive may elect on a form provided by the Company, and subject to any terms and conditions imposed by the Company, to have the minimum required tax withholding obligation related to the payout of the Vested RSUs satisfied either via a net share withholding method authorized by the applicable equity plan or by Executive paying the required tax withholding to the Company (and if the Company shall fail to provide such election form to Executive within 20 calendar days prior to the scheduled payout date of the Vested RSUs, then Executive shall have the right to notify the Company in writing, no later than 10 calendar days prior to payout, regarding the elected withholding method). The portion of the RSUs that remain unvested after the application of this Section 3(d) shall automatically be forfeited without further action by the Parties, and shall be of no further force or effect, as of the Separation Date.

(e) **Health Insurance.** If Executive timely elects continued health and dental coverage under COBRA, the Company will subsidize Executive's COBRA premiums to continue his coverage (including coverage for his eligible dependents, if applicable) (the "**COBRA Premiums**"), such that Executive will only be obligated to pay the contributions required of active employees through the applicable COBRA continuation period (the "**COBRA Premium Period**"). The COBRA Premium Period runs concurrently with the COBRA continuation period. During the COBRA Premium Period, an amount equal to the applicable COBRA Premiums (or such other amounts as may be required by law) will be included in Executive's income for tax purposes to the extent required by applicable law and the Company may withhold taxes from Executive's other compensation for this purpose. Notwithstanding the foregoing, if Executive becomes re-employed with another employer and is eligible to receive substantially equivalent health benefits under another employer-provided plan, then the Company's payment obligations and Executive's right to the subsidized premium payments as described in this Section 3(e) shall cease.

(f) **Attorneys' Fees.** The Company shall reimburse Executive for the reasonable attorneys' fees he incurred in connection with the negotiation, implementation, and documentation of this Agreement and other arrangements relating to his employment with the Company, which reimbursement shall be payable in a single lump sum no later than 90 calendar days after the Separation Date, provided that Executive submits the reimbursement request to the Company in writing, with supporting documentation, no later than 20 calendar days after the Separation Date, and in no event shall the Company reimburse attorneys' fees in excess of \$7,500.

(g) **Moving Expenses.** The Company shall reimburse Executive for the reasonable expenses incurred through December 31, 2017 in terminating his townhouse lease and auto lease and the moving expenses associated with his relocation back to New York City, which reimbursement shall be payable within 30 days after receiving supporting documentation, provided that the Company receives all documentation no later than March 1, 2018, and in no event shall the Company reimburse expenses under this Section 3(g) in excess of \$25,000.

4. Release of Claims . Executive shall execute and deliver the Release to the Company within 21 calendar days following the Separation Date (the "**Release Period**"). If Executive fails to execute and deliver the Release to the Company during the Release Period, or if the Release is revoked by Executive before it has become irrevocable pursuant to its terms, Executive will not be entitled to any payment or benefit under Section 3 of this Agreement.

5. Employment Agreement . Executive acknowledges that the payments and arrangements contained in this Agreement shall constitute full and complete satisfaction of any and all payments and benefits to which Executive may be entitled as a result of his employment with the Company and the termination thereof. Executive agrees that, as of the Separation Date, this Agreement supersedes and replaces the severance terms of the Employment Agreement between Executive and the Company dated

as of the 26th day of June, 2015 (the “Employment Agreement”) and that, provided the Company observes its obligations under this Agreement, the Company has no further obligations to make any payments or provide any benefits to Executive under the terms of the Employment Agreement. Executive and the Company each acknowledge and agree that the following terms and conditions of the Employment Agreement remain in effect, as modified below, notwithstanding the termination of Executive’s employment with the Company:

- (a) Section 2(g), Compensation Recovery Policy, provided the Company represents that, as of the Separation Date, no act of fraud or misconduct has been brought to the attention of the Board that could trigger or potentially trigger application of the Compensation Recovery Policy;
- (b) Section 3(h), Indemnification and Insurance; provided that (i) the Company shall not propose any limitation of indemnification in the Articles or Bylaws that would limit or reduce Executive’s indemnification protections as in effect on the Separation Date, and (ii) the Company shall deliver copies of any new D&O policies, endorsements, extensions or tail polices to Executive upon receipt from the carrier;
- (c) Section 8, Work Product;
- (d) Section 9, Confidential Information;
- (e) Section 10, Non-compete, non-solicitation, provided that any non-compete therein applicable to a services business shall be limited to businesses providing modification, maintenance and construction support services for nuclear power plants, utilities and other industrial customers;
- (f) Section 11, Remedies; and
- (g) Section 12, Cooperation in Investigations and Proceedings; provided that nothing contained therein shall require Executive to waive any of his constitutional or other rights he may have to limit or refrain from testifying in any investigation or proceeding.

6. Compensation Recovery Policy . Executive acknowledges that he shall remain subject to the provisions of the Compensation Recoupment Policy Acknowledgement and Agreement and the related Compensation Recovery Policy (the “Policy”), as in effect on the Separation Date, which agreement and Policy shall survive and continue in full force and effect notwithstanding the termination of Executive’s employment and shall be applicable to payments made and to be made by the Company to Executive under either of Sections 2 and 3 of this Agreement. The Parties acknowledge that, on and after the Separation Date, the Company may not amend or modify the Policy in a manner that adversely affects Executive, unless the Company determines in good faith that such amendment or modification is required in order to comply with applicable laws or exchange listing requirements.

7. Return of Property . By not later than the Separation Date, Executive shall return to the Company all items of Company property previously in his possession, including without limitation, keys, credit cards, telephone calling cards, computer hardware and software, cellular and portable telephone equipment, manuals, books, notebooks, financial statements, reports and other documents. For the avoidance of doubt, Executive is entitled to retain his personal cellular telephone number.

8. Non-Disparagement .

(a) Executive agrees that he will not do or say anything that could reasonably be expected to disparage or impact negatively the name or reputation in the marketplace of the Company or any of its affiliates, employees, officers, directors, stockholders, members, principals or assigns. Subject to Executive's continuing obligations to comply with Section 9 (Confidential Information) of the Employment Agreement as provided herein, nothing in this Section 8 shall preclude Executive from responding truthfully to any legal process or truthfully testifying in a legal or regulatory proceeding, provided that, to the extent permitted by law, Executive promptly informs the Company of any such obligation prior to participating in any such proceedings.

(b) The Company agrees that it will not release any information or make any statements, and its officers and directors shall not do or say anything that could reasonably be expected to disparage or impact negatively the name or reputation in the marketplace of Executive. Nothing herein shall preclude the Company or any of its affiliates, employees, officers, directors, stockholders, members, principals or assigns from responding truthfully to any legal process or truthfully testifying in a legal or regulatory proceeding, provided that to the extent permitted by law, the Company will promptly inform Executive in advance if it has reason to believe such response or testimony will directly relate to Executive, or preclude the Company from complying with applicable disclosure requirements.

9. Miscellaneous.

(a) Section 409A. The intent of the Parties is that payments and benefits under this Agreement comply with Section 409A of the Code ("Section 409A") or are exempt therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies the Company (with specificity as to the reason therefor) that Executive believes that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A and the Company concurs with such belief or the Company (without any obligation whatsoever to do so) independently makes such determination, the Company shall, after consulting with Executive, reform such provision in a manner that is economically neutral to the Company to attempt to comply with Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A. The Parties hereby acknowledge and agree that (i) the payments and benefits due to Executive under Section 3 above are payable or provided on account of Executive's "separation from service" within the meaning of Section 409A, (ii) the payments and benefits under this Agreement are intended to be treated as separate payments for purposes of Section 409A, and (iii) Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code. Notwithstanding any provision of this Agreement to the contrary, any payment under this Agreement that is considered nonqualified deferred compensation subject to Section 409A shall be paid no earlier than (1) the date that is six months after the date of Executive's separation from service for any reason other than death, or (2) the date of Executive's death. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Agreement.

(b) Withholding. The Company or its affiliates, as applicable, may withhold from any amounts payable or benefits provided under this Agreement such Federal, state, local, foreign or other taxes as shall be required to be withheld pursuant to any applicable law or regulation. Notwithstanding the foregoing, Executive shall be solely responsible and liable for the satisfaction of all taxes, interest and penalties that may be imposed on Executive in connection with this Agreement (including any taxes, interest and penalties under Section 409A of the Code), and neither the Company nor its affiliates shall have any obligation to indemnify or otherwise hold Executive harmless from any or all of such taxes, interest or penalties.

(c) Severability. In construing this Agreement, if any portion of this Agreement shall be found to be invalid or unenforceable, the remaining terms and provisions of this Agreement shall be given effect to the maximum extent permitted without considering the void, invalid or unenforceable provision.

(d) Successors. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's surviving spouse, heirs, and legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its affiliates, and their respective successors and assigns.

(e) Final and Entire Agreement; Amendment. This Agreement (including its exhibits), together with the Release, represents the final and entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations and discussions between the Parties hereto and/or their respective counsel with respect to the subject matter hereof. Any amendment to this Agreement must be in writing, signed by duly authorized representatives of the Parties, and stating the intent of the Parties to amend this Agreement.

(f) Representation By Counsel. Each of the Parties acknowledges that it or he has had the opportunity to consult with legal counsel of its or his choice prior to the execution of this Agreement and the Release. Without limiting the generality of the foregoing, Executive acknowledges that he has had the opportunity to consult with his own independent legal counsel to review this Agreement for purposes of compliance with the requirements of Section 409A or an exemption therefrom, and that he is relying solely on the advice of his independent legal counsel for such purposes. Moreover, the Parties acknowledge that they have participated jointly in the negotiation and drafting of this Agreement and the Release. If any ambiguity or question of intent or interpretation arises, this Agreement and the Release shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(g) Governing Law; Jurisdiction. This Agreement and the Release shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to conflict of laws principles. Each Party (i) agrees that any action arising out of or relating to this Agreement or Executive's employment by the Company shall be brought exclusively in the state courts located in Dallas County, Texas and the United States District Court for the Northern District of Texas (Dallas Division), (ii) accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts, and (iii) irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action in those jurisdictions. EACH PARTY WAIVES ITS OR HIS RIGHT TO TRIAL BY JURY AS TO ALL CLAIMS REGARDING, OR ARISING UNDER, THE TERMS OF THIS AGREEMENT. The Parties further agree that the prevailing party (by judgment, court order or negotiated private settlement) in any action to enforce its or his rights under this Agreement shall be entitled to recover payment from the non-prevailing party of the prevailing party's reasonable costs, expenses and attorneys' fees, as well as expert witness fees and expenses, incurred in connection with any such action.

(h) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other Party or by registered or certified mail, return receipt requested, postage prepaid, or by overnight courier, addressed as follows:

If to Executive: at Executive's most recent address on the records of the Company;

If to the Company: Global Power Equipment Group Inc., 400 E. Las Colinas Boulevard, Suite No. 400, Irving, TX 75039, Attention: Chief Executive Officer;

or to such other address as either Party shall have furnished to the other in writing in accordance herewith. Any notice under this Agreement will be deemed to have been given: when delivered, if given by hand delivery; three days after having been mailed, if given by registered or certified mail; and on the date on which delivery was first attempted by the overnight courier, if sent by overnight courier.

(i) Counterparts. This Agreement may be executed in one or more counterparts (including by means of facsimile or other electronic transmission), each of which shall be deemed an original, but all of which taken together shall constitute one original instrument.

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

GLOBAL POWER EQUIPMENT GROUP INC.

EXECUTIVE

By: /s/ Charles Macaluso
Charles Macaluso, Chairman of the Board

/s/ Terence J. Cryan
Terence J. Cryan

EXHIBIT A
RSUs

Date of Grant	Vesting Type — Time / Performance	Unvested RSUs Remaining on Separation date	Otherwise Scheduled to Vest on March 30, 2018	Otherwise Scheduled to Vest on March 31, 2019	Pro-Ration Factor for March 30, 2018	Pro-Ration Factor for March 31, 2019
8/5/2016	Time	86,864	86,864(1)	n/a	355/602	n/a
	Performance	213,000	213,000(1)	n/a	355/602	n/a
4/17/2017	Time	97,944	n/a(1)	97,944(1)	n/a	100/713
	Performance	97,944	n/a	97,944(2)	n/a	100/713

(1) The portion of these RSUs equal to the product of the full numbers shown in the tables and the applicable Pro-Ration Factor will be paid to Executive not later than five business days after the Effective Release Date (aggregating 190,567, which is the sum of (A) 86,444 multiplied by 355/602, (B) 97,944 multiplied by 100/713 and (C) 213,000 multiplied by 355/602). For purposes of clarity, the Parties confirm that the performance-based RSUs granted on August 5, 2016 shall be deemed earned, per the applicable award agreement, to the extent of the pro-rated amount based on the applicable Pro-Ration Factor.

(2) These RSUs will be paid to Executive, in each case: (a) at the same time as would have been the case under the applicable award agreement if Executive's employment continued through date on which the RSUs would have otherwise vested; and (b) at that number of RSUs that would have paid out to Executive if his employment continued through date on which the RSUs would have otherwise vested (which is dependent upon the extent to which performance goals are achieved during the entire applicable Performance Period) multiplied by the applicable Pro-Ration Factor shown in the table.

EXHIBIT B
GENERAL RELEASE

This General Release (this "Release") is made and entered into as of this day of , 2017, by and between Global Power Equipment Group Inc. (the "Company") and Terence J. Cryan ("Executive").

1. **Employment Status .** Executive's employment with the Company and its affiliates terminated effective as of July 26, 2017 (the "Separation Date").

 2. **Payments and Benefits.** Upon the effectiveness of the terms set forth herein, the Company shall provide Executive with the payments and benefits (collectively, the "Severance Benefits") set forth in Section 3 of the Separation Agreement between Executive and the Company dated as of July 26, 2017 (the "Separation Agreement"), upon the terms, and subject to the conditions, of the Separation Agreement. For the avoidance of doubt, Executive acknowledges that unless and until this Release becomes effective and irrevocable pursuant to its terms, he will not be entitled to receive any of the Severance Benefits.

 3. **No Liability.** This Release does not constitute an admission by the Company or its affiliates or their respective officers, directors, partners, agents, or employees, or by Executive, of any unlawful acts or of any violation of federal, state or local laws.

 4. **Release .** In consideration of the Severance Benefits, Executive for himself, his heirs, administrators, representatives, executors, successors and assigns (collectively, "Releasors") does hereby irrevocably and unconditionally release, acquit and forever discharge the Company, its respective affiliates and their respective successors and assigns (the "Company Group") and each of its officers, directors, partners, agents, and former and current employees, including without limitation all persons acting by, through, under or in concert with any of them (collectively, "Releasees"), and each of them, from any and all claims, demands, actions, causes of action, costs, expenses, attorney fees, and all liability whatsoever, whether known or unknown, fixed or contingent, which Executive has, had, or may ever have against the Releasees relating to or arising out of Executive's employment or separation from employment with the Company Group, from the beginning of time and up to and including the date Executive executes this Release. This Release includes, without limitation, (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims for wrongful discharge, retaliatory discharge, whistle blowing, libel, slander, defamation, unpaid compensation, intentional infliction of emotional distress, fraud, public policy contract or tort, and implied covenant of good faith and fair dealing; (d) claims under or associated with any of the Company Group's incentive compensation plans or arrangements; (e) claims arising under any federal, state, or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation, or any other form of discrimination, harassment, or retaliation (including without limitation under the Age Discrimination in Employment Act of 1967 as amended by the Older Workers Benefit Protection Act ("ADEA"), Title VII of the Civil Rights Act of 1964 as amended by the Civil Rights Act of 1991, the Equal Pay Act of 1963, and the Americans with Disabilities Act of 1990, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information Nondiscrimination Act of 2008 ("GINA"), the Fair Labor Standards Act ("FLSA"), the Lilly Ledbetter Fair Pay Act or any other foreign, federal, state or local law or judicial decision); (f) claims arising under the Employee Retirement Income Security Act; and (g) any other statutory or common law claims related to Executive's employment with the Company Group or the separation of Executive's employment with the Company Group.
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Without limiting the foregoing paragraph, Executive represents that he understands that this Release specifically releases and waives any claims of age discrimination, known or unknown, that Executive may have against the Company Group as of the date he signs this Release. This Release specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended, and the Older Workers Benefit Protection Act. Executive acknowledges that as of the date he signs this Release, he may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. §626 and he voluntarily relinquishes any such rights or claims by signing this Release.

Notwithstanding the foregoing provisions of this Section 4, nothing herein shall release the Company Group from (i) any obligation under the Separation Agreement, including without limitation Section 3 of the Separation Agreement; (ii) any obligation to provide benefit entitlements under any Company benefit or welfare plan that were vested as of the Separation Date; and (iii) any rights or claims that relate to events or circumstances that occur after the date that Executive executes this Release.

5. Claims Released by the Company. In consideration for receiving Executive's release hereunder, the Company, on behalf of itself and the other Releasees, and each of them, does hereby irrevocably and unconditionally release, acquit and forever discharge Executive from any and all claims, demands, actions, causes of action, costs, expenses, attorney fees, and all liability whatsoever, whether known or unknown, fixed or contingent, which the Company has, had, or may ever have against Executive relating to or arising out of Executive's employment or separation from employment with the Company Group, from the beginning of time and up to and including the date the Company executes this Release. This Release includes, without limitation, (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims for wrongful discharge, retaliatory discharge, whistle blowing, libel, slander, defamation, unpaid compensation, wage and hour law violations, intentional infliction of emotional distress, fraud, public policy contract or tort, and implied covenant of good faith and fair dealing, whether based in common law or any federal, state or local statute; (d) claims under or associated with any of the Company Group's equity compensation plans or arrangements; (e) claims arising under any federal, state, or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation, or any other form of discrimination, harassment, or retaliation.

Notwithstanding the foregoing provisions of this Section 5, nothing herein shall release Executive from (i) any act that constitutes a criminal act under any Federal, state or local law committed or perpetuated by Executive during the course of Executive's employment with the Company or its affiliates or thereafter prior to the execution date of this Release (including any criminal act of fraud, material misappropriation of funds or embezzlement, or any other criminal action); (ii) any act of fraud or other misconduct committed by Executive in connection with his employment with the Company or thereafter prior to the execution date of this Release; or (iii) Executive's continuing obligations under the Employment Agreement or Separation Agreement.

6. Bar . Executive acknowledges and agrees that if he should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Releasees with respect to any cause, matter or thing which is the subject of the release under Section 4 of this Release, this Release may be raised as a complete bar to any such action, claim or proceeding, and the applicable Releasee may recover from Executive all costs incurred in connection with such action, claim or proceeding, including attorneys' fees, along with the Severance Benefits. The Company acknowledges and agrees that if it should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against Executive with respect to any cause, matter or thing which is the subject of the release under Section 5 of this Release, this Release may be raised as a complete bar to any such action, claim or proceeding, and Executive may recover from the Company all costs incurred in

connection with such action, claim or proceeding, including attorneys' fees.

7. Right to Engage in Protected Activity. Nothing contained in this Release limits Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing in this Release or the Separation Agreement (including Section 5 or Section 8(a) of the Separation Agreement) or any other Company agreement, policy, practice, procedure, directive or instruction shall prohibit Executive from reporting possible violations of federal, state or local laws or regulations to any Government Agency or making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. Executive does not need prior authorization of any kind to make any such reports or disclosures and Executive is not required to notify the Company that Executive has made such reports or disclosures. If Executive files any charge or complaint with any Government Agency, and if the Government Agency pursues any claim on Executive's behalf, or if any other third party pursues any claim on Executive's behalf, Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action) from the Releases that arises out of alleged facts or circumstances on or before the effective date of this Release; provided that nothing in this Release or the Separation Agreement limits any right Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission or other Government Agency.

8. Governing Law . This Release shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Delaware, without regard to conflicts of law principles.

9. Acknowledgment . Executive has read this Release, understands it, and voluntarily accepts its terms, and Executive acknowledges that he has been advised by the Company to seek the advice of legal counsel (at Executive's cost) before entering into this Release. Executive acknowledges that he was given a period of 21 calendar days within which to consider and execute this Release, and to the extent that he executes this Release before the expiration of the 21-day period, he does so knowingly and voluntarily and only after consulting his attorney. Executive acknowledges and agrees that the promises made by the Company Group hereunder represent substantial value over and above that to which Executive would otherwise be entitled. Executive acknowledges and reconfirms the promises in Sections 8, 9, 10, 11 and 12 of the Employment Agreement between Executive and the Company dated as of the 26th day of June, 2015.

10. Revocation. Executive has a period of 7 calendar days following the execution of this Release during which Executive may revoke this Release by delivering written notice to the Company in the manner specified in Section 9(h) of the Separation Agreement, and this Release shall not become effective or enforceable until such revocation period has expired. Executive understands that if he revokes this Release, it will be null and void in its entirety, and he will not be entitled to any payments or benefits provided in this Release, including without limitation any Severance Payments pursuant to Section 3 of the Separation Agreement.

11. Miscellaneous. This Release is the complete understanding between Executive and the Company Group in respect of the subject matter of this Release and supersedes all prior agreements relating to Executive's employment with the Company Group, except as specifically excluded by this Release. Executive has not relied upon any representations, promises or agreements of any kind except those set forth herein in signing this Release. In the event that any provision of this Release should be held to be invalid or unenforceable each and all of the other provisions of this Release shall remain in full force and effect. If any provision of this Release is found to be invalid or unenforceable, such provision shall be modified as necessary to permit this Release to be upheld and enforced to the maximum extent

permitted by law. Executive agrees to execute such other documents and take such further actions as reasonably may be required by the Company Group to carry out the provisions of this Release.

12. Counterparts . This Release may be executed by the parties hereto in counterparts, which taken together shall be deemed one original.

GLOBAL POWER EQUIPMENT GROUP INC.

EXECUTIVE

By:

Charles Macaluso, Chairman of the Board

Terence J. Cryan

NEWS
RELEASE

Global Power ♦ 400 E Las Colinas Blvd., Suite 400 ♦ Irving, TX 75039

FOR IMMEDIATE RELEASE

**Global Power Appoints
Craig Holmes and Tracy Pagliara as Co-Presidents and Co-CEOs**

IRVING, Texas, July 27, 2017 — Global Power Equipment Group Inc. (OTC: GLPW) today announced that its Board of Directors has appointed Craig Holmes and Tracy Pagliara as Co-Presidents and Co-CEOs, as well as members of the Board of Directors. Mr. Holmes was serving as Senior Vice President and Chief Financial Officer and Mr. Pagliara was Senior Vice President, Chief Administrative Officer, General Counsel and Secretary for Global Power. Terence Cryan, formerly the Company's President and Chief Executive Officer, has resigned from those positions and as a director of the Company.

Charles Macaluso, Chairman of the Board commented, "We thank Terry for the contributions he made to Global Power during his tenure. He stepped into the role of CEO in early 2015 during a challenging time having been an independent director of the Company since 2008. He now hands over the reins to two trusted senior executives who will continue to pursue the board's key initiatives."

Mr. Macaluso continued, "While there are still important strategic and operational initiatives underway, the Board believes that Craig and Tracy, with their deep knowledge of Global Power and the industries in which it operates, have the leadership skills to take the organization forward. The Board is confident that, working collaboratively and cooperatively, they will further our efforts to improve our products businesses as we create new opportunities for growth in our Services segment."

In connection with these leadership changes, Chip Wheelock has been promoted to serve as Vice President, Administration, General Counsel & Secretary with responsibility for legal, compliance, human resources and insurance matters. Mr. Wheelock was formerly Vice President, Deputy General Counsel and Chief Compliance Officer of the Company. A search for a chief financial officer will be initiated. In the interim, Mr. Holmes will remain as Principal Financial Officer.

Mr. Holmes joined Global Power in September 2015 as Senior Vice President Finance and, as planned, assumed the role of Chief Financial Officer upon issuance of the Company's 2015 financials and restated prior-period results on March 15, 2017. Mr. Holmes began his career at Arthur Andersen where he successfully rose to Partner level. After leaving the firm in 1995, he held a succession of chief financial officer positions including at publicly-traded Sizmek, Inc., Digital Generation, Inc., Intervoice, Inc. and Excel Communications, Inc. He currently serves on the Board of Directors of Independent Bank Group, Inc. and Hobi International, Inc. Mr. Holmes earned his master's degree and Bachelor of Business Administration in Accounting from Texas Tech University.

Mr. Pagliara joined Global Power in April 2010 as General Counsel, Secretary and Vice President of Business Development and was progressively advanced to his most recent position of Senior Vice President - Chief Administrative Officer, General Counsel and Secretary. Prior to joining the Company, Mr. Pagliara was with Gardner Denver, Inc. for eight years, where he served as Chief Legal

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Officer and Secretary and also assumed additional leadership responsibility for the compliance, human resources, environmental, health and safety and insurance functions. Prior to joining Gardner Denver, Inc., Mr. Pagliara held positions of increasing responsibility in the legal departments of Verizon Communications/GTE Corporation and Kellwood Company. He eventually became Assistant General Counsel for each company. Mr. Pagliara is a director, and serves on the audit, compensation, and nominating and corporate governance committees, of Uranium Resources, Inc. He is a member of the Missouri and Illinois State Bars and is a Certified Public Accountant.

About Global Power

Global Power Equipment Group Inc. is a design, engineering and manufacturing firm providing a broad array of equipment and services to the global power infrastructure, energy and process industries. The Company reports in three operating segments: The Mechanical Solutions segment (formerly Auxiliary Products) designs, engineers and manufactures a comprehensive portfolio of equipment for utility-scale natural gas turbines. The Electrical Solutions segment provides custom-configured electrical houses and generator enclosures for a variety of industries. The Services segment provides lifecycle maintenance, repair, on-site specialty support, outage management, construction and fabrication services for the power generation, industrial, chemical/petrochemical processing, and oil and gas industries. The Company provides information at its website: www.globalpower.com.

Forward-looking Statement Disclaimer

This press release contains “forward-looking statements” within the meaning of the term set forth in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements or expectations regarding our strategy and operations, our ability to meet our performance goals, ability to comply with the covenants under our credit agreement and the timing to complete the audit of our 2016 financial statements and the timing and ability of the Company to file its Annual Report on Form 10-K for 2016 in August 2017. These statements reflect our current views of future events and financial performance and are subject to a number of risks and uncertainties. Our actual results, performance or achievements may differ materially from those expressed or implied in the forward-looking statements. Risks and uncertainties that could cause or contribute to such material differences include a delay in the auditor’s completion of the audit of the 2016 financial statements, the Company’s inability to prepare and file the 2016 Form 10-K within the expected time frame, and the Company’s inability to comply with the covenants under its credit agreement. Additional risks and uncertainties that could cause actual results to differ from what is anticipated include, but are not limited to, continued delays in the completion of the audited 2016 financial statements and certain periodic reports, decreased demand for our products and services, loss of any of our major customers or termination of our relationship with key vendors, whether pursuant to the loss of pending or future bids for either new business or an extension of existing business or customer or contractor bankruptcy, our inability to sell assets and make acquisitions, volatility of our stock price, deterioration or uncertainty of credit markets, and the banking environment or monetary policy.

Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in our filings with the SEC, including the section of our previously-filed 2015 Annual Report on 10-K titled “Risk Factors.” Any forward-looking statement speaks only as of the date of this press release. Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution you not to rely upon them unduly.

Investor Relations Contact:

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