

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2018

OR

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

For the transition period from ____ to ____

Commission File Number: 001-32433


Prestige Consumer
HEALTHCARE

PRESTIGE CONSUMER HEALTHCARE INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

20-1297589

(I.R.S. Employer Identification No.)

**660 White Plains Road
Tarrytown, New York 10591**

(Address of Principal Executive Offices) (Zip Code)

(914) 524-6800

(Registrant's Telephone Number, Including Area Code)

Prestige Brands Holdings, Inc.

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

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

As of October 26, 2018, there were 51,737,977 shares of common stock outstanding.

Prestige Consumer Healthcare Inc.
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Trademarks and Trade Names

Trademarks and trade names used in this Quarterly Report on Form 10-Q are the property of Prestige Consumer Healthcare Inc. or its subsidiaries, as the case may be. We have italicized our trademarks or trade names when they appear in this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Prestige Consumer Healthcare Inc.
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)

<i>(In thousands, except per share data)</i>	Three Months Ended September 30,		Six Months Ended September 30,	
	2018	2017	2018	2017
Revenues				
Net sales	\$ 239,354	\$ 257,930	\$ 493,308	\$ 514,417
Other revenues	3	96	29	182
Total revenues	239,357	258,026	493,337	514,599
Cost of Sales				
Cost of sales excluding depreciation	100,647	112,580	212,716	224,337
Cost of sales depreciation	1,238	1,348	2,526	2,688
Cost of sales	101,885	113,928	215,242	227,025
Gross profit	137,472	144,098	278,095	287,574
Operating Expenses				
Advertising and promotion	37,042	39,188	74,153	76,132
General and administrative	24,034	21,999	47,975	42,409
Depreciation and amortization	6,756	7,186	13,840	14,353
Gain on divestiture	(1,284)	—	(1,284)	—
Total operating expenses	66,548	68,373	134,684	132,894
Operating income	70,924	75,725	143,411	154,680
Other (income) expense				
Interest income	(33)	(85)	(133)	(154)
Interest expense	27,103	26,921	53,143	53,331
Other expense (income), net	335	(432)	422	(506)
Total other expense	27,405	26,404	53,432	52,671
Income before income taxes	43,519	49,321	89,979	102,009
Provision for income taxes	12,678	18,616	24,672	37,545
Net income	\$ 30,841	\$ 30,705	\$ 65,307	\$ 64,464
Earnings per share:				
Basic	\$ 0.59	\$ 0.58	\$ 1.25	\$ 1.21
Diluted	\$ 0.59	\$ 0.57	\$ 1.24	\$ 1.20
Weighted average shares outstanding:				
Basic	51,841	53,098	52,238	53,068
Diluted	52,153	53,539	52,545	53,524
Comprehensive income, net of tax:				
Currency translation adjustments	(2,145)	2,716	(5,119)	3,835
Unrecognized net gain on pension plans	—	—	—	1
Total other comprehensive (loss) income	(2,145)	2,716	(5,119)	3,836
Comprehensive income	\$ 28,696	\$ 33,421	\$ 60,188	\$ 68,300

See accompanying notes.

Prestige Consumer Healthcare Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands)

	<u>September 30, 2018</u>	<u>March 31, 2018</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 36,910	\$ 32,548
Accounts receivable, net of allowance of \$14,433 and \$12,734, respectively	153,849	140,881
Inventories	113,569	118,547
Deferred income tax assets	—	26
Prepaid expenses and other current assets	10,172	11,475
Total current assets	<u>314,500</u>	<u>303,477</u>
Property, plant and equipment, net	52,321	52,552
Goodwill	612,444	620,098
Intangible assets, net	2,715,070	2,780,916
Other long-term assets	3,360	3,569
Total Assets	<u>\$ 3,697,695</u>	<u>\$ 3,760,612</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 66,251	\$ 61,390
Accrued interest payable	9,665	9,708
Other accrued liabilities	70,057	52,101
Total current liabilities	<u>145,973</u>	<u>123,199</u>
Long-term debt, net	1,895,835	1,992,952
Deferred income tax liabilities	440,853	442,518
Other long-term liabilities	21,796	23,333
Total Liabilities	<u>2,504,457</u>	<u>2,582,002</u>
Commitments and Contingencies — Note 16		
Stockholders' Equity		
Preferred stock - \$0.01 par value		
Authorized - 5,000 shares		
Issued and outstanding - None	—	—
Common stock - \$0.01 par value		
Authorized - 250,000 shares		
Issued - 53,609 shares at September 30, 2018 and 53,396 shares at March 31, 2018	536	534
Additional paid-in capital	474,137	468,783
Treasury stock, at cost - 1,871 shares at September 30, 2018 and 353 shares at March 31, 2018	(59,928)	(7,669)
Accumulated other comprehensive loss, net of tax	(24,434)	(19,315)
Retained earnings	802,927	736,277
Total Stockholders' Equity	<u>1,193,238</u>	<u>1,178,610</u>
Total Liabilities and Stockholders' Equity	<u>\$ 3,697,695</u>	<u>\$ 3,760,612</u>

See accompanying notes.

Prestige Consumer Healthcare Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(In thousands)</i>	Six Months Ended September 30,	
	2018	2017
Operating Activities		
Net income	\$ 65,307	\$ 64,464
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,366	17,041
Gain on divestiture	(1,284)	—
Loss on disposal of property and equipment	37	1,461
Deferred income taxes	339	16,321
Amortization of debt origination costs	3,021	3,494
Excess tax benefits from share-based awards	—	470
Stock-based compensation costs	4,328	4,726
Other	247	—
Changes in operating assets and liabilities:		
Accounts receivable	(7,718)	(9,345)
Inventories	(4,145)	(3,409)
Prepaid expenses and other current assets	1,302	17,123
Accounts payable	4,187	8,008
Accrued liabilities	14,339	(11,869)
Other	(1,219)	55
Net cash provided by operating activities	95,107	108,540
Investing Activities		
Purchases of property, plant and equipment	(5,074)	(4,785)
Acquisition of Fleet escrow receipt	—	970
Proceeds from divestiture	65,912	—
Net cash provided by (used in) investing activities	60,838	(3,815)
Financing Activities		
Term loan repayments	(100,000)	(105,000)
Borrowings under revolving credit agreement	30,000	—
Repayments under revolving credit agreement	(30,000)	—
Proceeds from exercise of stock options	1,028	1,466
Fair value of shares surrendered as payment of tax withholding	(2,281)	(1,075)
Repurchase of common stock	(49,978)	—
Net cash used in financing activities	(151,231)	(104,609)
Effects of exchange rate changes on cash and cash equivalents	(352)	1,006
Increase in cash and cash equivalents	4,362	1,122
Cash and cash equivalents - beginning of period	32,548	41,855
Cash and cash equivalents - end of period	\$ 36,910	\$ 42,977
Interest paid	\$ 49,147	\$ 49,404
Income taxes paid	\$ 2,444	\$ 9,037

See accompanying notes.

Prestige Consumer Healthcare Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Business and Basis of Presentation

Nature of Business

Prestige Consumer Healthcare Inc. (referred to herein as the “Company” or “we,” which reference shall, unless the context requires otherwise, be deemed to refer to Prestige Consumer Healthcare Inc. and all of its direct and indirect 100% owned subsidiaries on a consolidated basis) is engaged in the development, manufacturing, marketing, sales and distribution of over-the-counter (“OTC”) healthcare and household cleaning products (prior to the sale of our Household Cleaning segment, as discussed in Note 3) to mass merchandisers and drug, food, dollar, convenience and club stores and e-commerce channels in North America (the United States and Canada), and in Australia and certain other international markets. Prestige Consumer Healthcare Inc. is a holding company with no operations and is also the parent guarantor of the senior credit facility and the senior notes described in Note 8.

Basis of Presentation

The unaudited Condensed Consolidated Financial Statements presented herein have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial reporting and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All significant intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, these Condensed Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments, that are considered necessary for a fair statement of our consolidated financial position, results of operations and cash flows for the interim periods presented. Our fiscal year ends on March 31st of each year. References in these Condensed Consolidated Financial Statements or related notes to a year (e.g., “2019”) mean our fiscal year ending or ended on March 31st of that year. Operating results for the three and six months ended September 30, 2018 are not necessarily indicative of results that may be expected for the fiscal year ending March 31, 2019. These unaudited Condensed Consolidated Financial Statements and related notes should be read in conjunction with our audited Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on our knowledge of current events and actions that we may undertake in the future, actual results could differ from those estimates.

Reclassification

In accordance with Accounting Standards Update (“ASU”) 2017-07, we have reclassified net periodic benefit costs related to our pension plans from general and administrative expense to other (income) expense. The impact of this reclassification on our financial statements was less than \$1.0 million.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU 2014-09, *Revenue from Contracts with Customers - Topic 606*, including new FASB Accounting Standards Codification (“ASC”) 606, which supersedes the revenue recognition requirements in FASB ASC 605. Along with amendments issued in 2015 and 2016, the new guidance eliminates industry-specific revenue recognition guidance under current GAAP and replaces it with a principle-based approach for determining revenue. The core principle of the new guidance is that an entity should recognize revenue for the transfer of goods and services equal to an amount it expects to be entitled to receive for those goods and services. The new standard also requires additional disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The new guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively by recognizing the cumulative effect of initially applying the guidance to all contracts existing at the date of initial application (the modified retrospective method). The ASU, as amended, is effective for annual reporting periods beginning after December 15, 2017. We adopted this guidance effective April 1, 2018 using the modified retrospective transition method and applied it to contracts that were not completed at the adoption date. See Note 2 for our revenue recognition policy.

The effects of this recently adopted accounting pronouncement to our consolidated balance sheet as of April 1, 2018 are as follows:

<i>(In thousands)</i>	Balance March 31, 2018	New Revenue Standard Adjustment	Balance April 1, 2018
Accounts receivable, net	\$ 140,881	\$ 5,438	\$ 146,319
Inventories	118,547	(1,768)	116,779
Other accrued liabilities	52,101	1,925	54,026
Deferred income tax liabilities	442,518	401	442,919
Retained earnings	736,277	1,344	737,621

In March 2017, the FASB issued ASU 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which changes the presentation of net periodic benefit cost related to employer sponsored defined benefit plans and other postretirement benefits. Under this ASU, service cost should be included in the same income statement line item as other compensation costs arising from services rendered during the period, while other components of net periodic benefit pension cost should be presented separately outside of operating income. Additionally, only service costs may be capitalized in assets. Entities should apply the guidance on the presentation of the components of net periodic benefit cost in the income statement retrospectively. The guidance limiting the capitalization of net periodic benefit cost in assets to the service cost component should be applied prospectively. The standard is effective for annual reporting periods beginning after December 15, 2017. The adoption of this standard in the first quarter of 2019 required us to reclassify certain pension costs out of operating income and did not have a material impact on our consolidated financial statements.

In March 2018, the FASB issued ASU 2018-05, *Income Taxes (Topic 740)*. The amendments in this update reflect the income tax accounting implications of the Tax Cuts and Jobs Act ("Tax Act"). See Note 14 for a discussion of the Tax Act, which was signed into law on December 22, 2017, and the impact it has had, and may have, on our business and financial results.

In February 2018, the FASB issued ASU 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The amendments in this update allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act. See Note 14 for a discussion of the Tax Act, which was signed into law on December 22, 2017, and the impact it has had, and may have, on our business and financial results. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. We have early adopted ASU 2018-02, and the adoption did not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The amendments in this update clarify the definition of a business to help companies evaluate whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The amendments in this update are effective for public companies for annual periods beginning after December 15, 2017, including interim periods within those periods. We adopted this standard effective April 1, 2018, and the adoption did not have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. The amendments in this update provide clarification and guidance on eight cash flow classification issues. For public companies, the amendments in this update are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We adopted this standard effective April 1, 2018, and the adoption did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Topic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans*. The amendments in this update modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans and are effective for public companies for fiscal years ending after December 15, 2020. We do not expect the adoption of this standard to have a material impact on our financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this update modify the disclosure requirements in Topic 820 and are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. We do not expect the adoption of this standard to have a material impact on our financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350)*. The amendments in this update simplify the test for goodwill impairment by eliminating Step 2 from the impairment test, which required the entity to perform

procedures to determine the fair value at the impairment testing date of its assets and liabilities following the procedure that would be required in determining fair value of assets acquired and liabilities assumed in a business combination. The amendments in this update are effective for public companies for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. We are evaluating the impact of adopting this guidance on our consolidated financial statements and whether to early adopt this ASU.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments*. The amendments in this update provide financial statement users with more useful information about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendments to this update are effective for us for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. We are currently evaluating the impact of adopting this guidance on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The amendments in this update include a new FASB ASC Topic 842, which supersedes Topic 840. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. For public companies, the amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted for all entities as of the beginning of interim or annual reporting periods. In July 2018, further guidance on this topic was issued with ASU 2018-10, *Codification Improvements to Topic 842, Leases*, which affects narrow aspects of the guidance in ASU 2016-02, and with ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an additional transition method to adopt the new lease standard as well as a practical expedient. The required effective dates for the amendments issued in July 2018 are the same as those for Topic 842. We plan to adopt the standard on April 1, 2019. We are in the process of aggregating and evaluating our lease arrangements. Adoption of this standard will result in a material increase in lease-related assets and liabilities recognized on our Consolidated Balance Sheet, but we are unable to quantify the impact at this time.

2. Revenue Recognition

Nature of Goods and Services

We recognize revenue from product sales. We primarily ship finished goods to our customers and operate in three segments: North American OTC Healthcare, International OTC Healthcare, and Household Cleaning (this segment was sold on July 2, 2018). The segments are based on differences in the nature of products and geographical area. The North America and International OTC Healthcare segments market a variety of personal care and over-the-counter products in the following product groups: Analgesics, Cough & Cold, Women's Health, Gastrointestinal, Eye & Ear Care, Dermatologicals, and Oral Care. Prior to its sale, the Household Cleaning segment focused on the sale of cleaning products. Our products are distinct and separately identifiable on customer contracts or invoices, with each product sale representing a separate performance obligation.

We sell consumer products under a variety of brands through a broad distribution platform that includes mass merchandisers and drug, food, dollar, convenience and club stores and e-commerce channels, all of which sell our products to consumers.

See Note 18 for disaggregated revenue information.

Satisfaction of Performance Obligations

Revenue is recognized when control of a promised good is transferred to a customer, in an amount that reflects the consideration that we expect to be entitled to receive in exchange for that good. This occurs either when finished goods are transferred to a common carrier for delivery to the customer or when product is picked up by the customer or the customer's carrier. This represents a change in the timing of revenue recognition for some sales. Refer to the table above in Note 1 for disclosure of the adoption date impacts.

Once a product has transferred to the common carrier or been picked up by the customer, the customer is able to direct the use of, and obtain substantially all of the remaining benefits from, the product. It is at this point that we have a right to payment and the customer has legal title.

Variable Consideration

Provisions for certain rebates, customer promotional programs, product returns, and discounts to customers are accounted for as variable consideration and recorded as a reduction in sales.

We record an estimate of future product returns concurrent with recording sales, which is made using the most likely amount method which incorporates (i) historical return rates, (ii) current economic trends, (iii) changes in customer demand, (iv) product

acceptance, (v) seasonality of our product offerings, and (vi) the impact of changes in product formulation, packaging and advertising.

We participate in the promotional programs of our customers to enhance the sale of our products. These promotional programs consist of direct-to-consumer incentives, such as coupons and temporary price reductions, as well as incentives to our customers, such as allowances for new distribution, including slotting fees, and cooperative advertising. The costs of such activities are recorded as a reduction to revenue when the related sale takes place. Estimates of the costs of these promotional programs are derived using the most likely amount method, which incorporates (i) historical sales experience, (ii) the current promotional offering, (iii) forecasted data, (iv) current market conditions, and (v) communication with customer purchasing/marketing personnel. At the completion of the promotional program, the estimated amounts are adjusted to actual results.

Practical Expedients

Due to the nature (short duration) of our contracts with customers, we apply the practical expedient related to remaining performance obligations disclosure. Remaining performance obligations relate to contracts with a duration of less than one year, in which we have the right to invoice the customer at the time the performance obligation is satisfied for the amount of revenue recognized at that time. Accordingly, we have elected the practical expedient available under ASC 606 not to disclose remaining performance obligations for our contracts. The period between when control of the promised products transfers to the customer and when the customer pays for the products is one year or less. As such, we do not adjust product consideration for the effects of a significant financing component. The amortization period of any asset resulting from incremental costs of obtaining a contract would be one year or less.

We expense incremental direct costs of obtaining a contract (broker commissions) when the related sale takes place.

We account for shipping and handling costs as fulfillment activities and therefore recognize them upon shipment of goods.

The impact of adopting ASC 606 on our Condensed Consolidated Statements of Income and Comprehensive Income is as follows:

<i>(In thousands)</i>	Three Months Ended September 30, 2018			Six Months Ended September 30, 2018		
	As Reported	Impact of Change	Without Adoption of ASC 606	As Reported	Impact of Change	Without Adoption of ASC 606
Total revenues	\$ 239,357	\$ (16,165)	\$ 223,192	\$ 493,337	\$ (22,110)	\$ 471,227
Cost of sales	\$ 101,885	\$ (6,204)	\$ 95,681	\$ 215,242	\$ (8,396)	\$ 206,846
Total operating expenses	\$ 66,548	\$ (440)	\$ 66,108	\$ 134,684	\$ (579)	\$ 134,105
Income before income taxes	\$ 43,519	\$ (9,521)	\$ 33,998	\$ 89,979	\$ (13,135)	\$ 76,844
Provision for income taxes	\$ 12,678	\$ (2,771)	\$ 9,907	\$ 24,672	\$ (3,752)	\$ 20,920
Net income	\$ 30,841	\$ (6,750)	\$ 24,091	\$ 65,307	\$ (9,383)	\$ 55,924

3. Divestiture

On July 2, 2018, we sold the Comet®, Spic and Span®, Chore Boy®, Chlorinol® and Cinch® brands, as well as associated inventory. These brands represented our Household Cleaning segment.

As a result of this transaction, we received proceeds of approximately \$65.9 million and recorded a pre-tax gain on sale of \$1.3 million. The net proceeds were used to repay debt.

The following table sets forth the components of the assets sold and the pre-tax gain recognized on the sale in July 2018:

<i>(In thousands)</i>	July 2, 2018
Components of assets sold:	
Inventory	\$ 6,644
Property, plant and equipment, net	653
Goodwill	6,245
Intangible assets, net	49,315
Assets sold	62,857
Total purchase price received	65,912
	(3,055)
Costs to sell	1,771
Pre-tax gain on divestiture	\$ (1,284)

4. Inventories

Inventories consist of the following:

<i>(In thousands)</i>	September 30, 2018	March 31, 2018
Components of Inventories		
Packaging and raw materials	\$ 13,704	\$ 13,112
Work in process	237	157
Finished goods	99,628	105,278
Inventories	\$ 113,569	\$ 118,547

Inventories are carried and depicted above at the lower of cost or net realizable value, which includes a reduction in inventory values of \$3.3 million and \$4.2 million at September 30, 2018 and March 31, 2018, respectively, related to obsolete and slow-moving inventory.

5. Goodwill

A reconciliation of the activity affecting goodwill by operating segment is as follows:

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Balance - March 31, 2018				
Goodwill	\$ 711,104	\$ 32,919	\$ 71,405	\$ 815,428
Accumulated impairment loss	(130,170)	—	(65,160)	(195,330)
Balance - March 31, 2018	580,934	32,919	6,245	620,098
2019 Reductions	—	—	(6,245)	(6,245)
Effects of foreign currency exchange rates	—	(1,409)	—	(1,409)
Balance - September 30, 2018				
Goodwill	711,104	31,510	65,160	807,774
Accumulated impairment loss	(130,170)	—	(65,160)	(195,330)
Balance - September 30, 2018	\$ 580,934	\$ 31,510	\$ —	\$ 612,444

As discussed in Note 3, on July 2, 2018, we sold our Household Cleaning segment. As a result, we decreased goodwill by \$6.2 million.

Under accounting guidelines, goodwill is not amortized, but must be tested for impairment annually, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below the carrying amount.

On an annual basis during the fourth quarter of each fiscal year, or more frequently if conditions indicate that the carrying value of the asset may not be recoverable, management performs a review of the values assigned to goodwill and tests for impairment. At February 28, 2018, during our annual test for goodwill impairment, there were no indicators of impairment under the analysis. Accordingly, no impairment charge was recorded in fiscal 2018. We utilize the discounted cash flow method to estimate the fair value of our reporting units as part of the goodwill impairment test. We also considered our market capitalization at February 28, 2018, which was the date of our annual review, as compared to the aggregate fair values of our reporting units, to assess the reasonableness of our estimates pursuant to the discounted cash flow methodology. The estimates and assumptions made in assessing the fair value of our reporting units and the valuation of the underlying assets and liabilities are inherently subject to significant uncertainties. Consequently, changing rates of interest and inflation, declining sales or margins, increasing competition, changing consumer preferences, technical advances, or reductions in advertising and promotion may require an impairment charge to be recorded in the future. As of September 30, 2018, no events have occurred that would indicate potential impairment of goodwill.

6. Intangible Assets, net

A reconciliation of the activity affecting intangible assets, net is as follows:

<i>(In thousands)</i>	Indefinite-Lived Trademarks	Finite-Lived Trademarks and Customer Relationships	Totals
Gross Carrying Amounts			
Balance — March 31, 2018	\$ 2,490,303	\$ 441,314	\$ 2,931,617
Reductions	(30,562)	(34,889)	(65,451)
Effects of foreign currency exchange rates	(5,117)	(287)	(5,404)
Balance — September 30, 2018	2,454,624	406,138	2,860,762
Accumulated Amortization			
Balance — March 31, 2018	—	150,701	150,701
Additions	—	11,181	11,181
Reductions	—	(16,136)	(16,136)
Effects of foreign currency exchange rates	—	(54)	(54)
Balance — September 30, 2018	—	145,692	145,692
Intangible assets, net — September 30, 2018	\$ 2,454,624	\$ 260,446	\$ 2,715,070

As discussed in Note 3, on July 2, 2018, we sold our Household Cleaning segment. As a result, we decreased our indefinite-lived intangibles by \$30.5 million and our net finite-lived trademarks by \$18.8 million.

Amortization expense was \$5.4 million and \$11.2 million for the three and six months ended September 30, 2018, respectively, and \$5.8 million and \$11.7 million for the three and six months ended September 30, 2017, respectively. Based on our amortizable intangible assets as of September 30, 2018, amortization expense is expected to be approximately \$10.7 million for the remainder of fiscal 2019, \$21.5 million in fiscal 2020, \$21.0 million in fiscal 2021 and \$20.6 million in each of fiscal 2022, 2023 and 2024.

Under accounting guidelines, indefinite-lived assets are not amortized, but must be tested for impairment annually, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the asset below the carrying amount. The date of our annual impairment review was February 28, 2018, and we recorded impairment charges in our March 31, 2018 financial statements. Additionally, at each reporting period, an evaluation must be made to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are amortized over their respective estimated useful lives and are also tested for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable and exceeds its fair value.

We utilize the excess earnings method to estimate the fair value of our individual indefinite-lived intangible assets. The discount rate utilized in the analyses, as well as future cash flows, may be influenced by such factors as changes in interest rates and rates of inflation. Additionally, should the related fair values of intangible assets be adversely affected as a result of declining sales or

margins caused by competition, changing consumer preferences, technological advances or reductions in advertising and promotional expenses, we may be required to record impairment charges in the future.

As of September 30, 2018, no events have occurred that would indicate further potential impairment of intangible assets.

7. Other Accrued Liabilities

Other accrued liabilities consist of the following:

<i>(In thousands)</i>	September 30, 2018	March 31, 2018
Accrued marketing costs	\$ 28,457	\$ 21,473
Accrued compensation costs	6,523	10,591
Accrued broker commissions	2,113	1,487
Income taxes payable	12,735	1,901
Accrued professional fees	3,877	2,244
Accrued production costs	6,388	7,392
Other accrued liabilities	9,964	7,013
	<u>\$ 70,057</u>	<u>\$ 52,101</u>

8. Long-Term Debt

At September 30, 2018, we had \$75.0 million outstanding on the asset-based revolving credit facility entered into January 31, 2012, as amended (the "2012 ABL Revolver") and an additional borrowing capacity of \$85.0 million.

Long-term debt consists of the following, as of the dates indicated:

<i>(In thousands, except percentages)</i>	September 30, 2018	March 31, 2018
2016 Senior Notes bearing interest at 6.375%, with interest payable on March 1 and September 1 of each year. The 2016 Senior Notes mature on March 1, 2024.	\$ 600,000	\$ 600,000
2013 Senior Notes bearing interest at 5.375%, with interest payable on June 15 and December 15 of each year. The 2013 Senior Notes mature on December 15, 2021.	400,000	400,000
2012 Term B-5 Loans bearing interest at the Borrower's option at either LIBOR plus a margin of 2.00%, with a LIBOR floor of 0.00%, or an alternate base rate plus a margin of 1.00%, with a floor of 1.00%, due on January 26, 2024.	838,000	938,000
2012 ABL Revolver bearing interest at the Borrower's option at either a base rate plus applicable margin or LIBOR plus applicable margin. Any unpaid balance is due on January 26, 2022.	75,000	75,000
Long-term debt	<u>1,913,000</u>	<u>2,013,000</u>
Less: unamortized debt costs	(17,165)	(20,048)
Long-term debt, net	<u>\$ 1,895,835</u>	<u>\$ 1,992,952</u>

As of September 30, 2018, aggregate future principal payments required in accordance with the terms of the 2012 Term B-5 Loans, 2012 ABL Revolver and the indentures governing the 6.375% senior unsecured notes due 2024 (the "2016 Senior Notes") and the 5.375% senior unsecured notes due 2021 (the "2013 Senior Notes") are as follows:

(In thousands)

Year Ending March 31,	Amount
2019 (remaining six months ending March 31, 2019)	\$ —
2020	—
2021	—
2022	475,000
2023	—
Thereafter	1,438,000
	<u>\$ 1,913,000</u>

9. Fair Value Measurements

For certain of our financial instruments, including cash, accounts receivable, accounts payable and other current liabilities, the carrying amounts approximate their respective fair values due to the relatively short maturity of these amounts.

FRS ASC 820, *Fair Value Measurements*, requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market assuming an orderly transaction between market participants. ASC 820 established market (observable inputs) as the preferred source of fair value, to be followed by our assumptions of fair value based on hypothetical transactions (unobservable inputs) in the absence of observable market inputs. Based upon the above, the following fair value hierarchy was created:

Level 1 - Quoted market prices for identical instruments in active markets;

Level 2 - Quoted prices for similar instruments in active markets, as well as quoted prices for identical or similar instruments in markets that are not considered active; and

Level 3 - Unobservable inputs developed by us using estimates and assumptions reflective of those that would be utilized by a market participant.

The market values have been determined based on market values for similar instruments adjusted for certain factors. As such, the 2016 Senior Notes, the 2013 Senior Notes, the 2012 Term B-5 Loans, and the 2012 ABL Revolver are measured in Level 2 of the above hierarchy. See summary below detailing the carrying amounts and estimated fair values of these borrowings at September 30, 2018 and March 31, 2018.

<i>(In thousands)</i>	September 30, 2018		March 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2016 Senior Notes	\$ 600,000	\$ 606,000	\$ 600,000	\$ 610,500
2013 Senior Notes	400,000	400,000	400,000	402,000
2012 Term B-5 Loans	838,000	838,000	938,000	939,173
2012 ABL Revolver	75,000	75,000	75,000	75,000

At September 30, 2018 and March 31, 2018, we did not have any assets or liabilities measured in Level 1 or 3.

10. Stockholders' Equity

We are authorized to issue 250.0 million shares of common stock, \$0.01 par value per share, and 5.0 million shares of preferred stock, \$0.01 par value per share. The Board of Directors may direct the issuance of the undesignated preferred stock in one or more series and determine preferences, privileges and restrictions thereof.

Each share of common stock has the right to one vote on all matters submitted to a vote of stockholders. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors,

subject to prior rights of holders of all classes of outstanding stock having priority rights as to dividends. No dividends have been declared or paid on our common stock through September 30, 2018.

During the three months ended September 30, 2018, we made no repurchases of common stock. During the three months ended September 30, 2017, we repurchased 933 shares of common stock from our employees pursuant to the provisions of various employee restricted stock awards. The repurchases for the three months ended September 30, 2017 were at an average price of \$51.60. During the six months ended September 30, 2018 and 2017, we repurchased 68,939 shares and 20,549 shares, respectively, of common stock from our employees pursuant to the provisions of various employee restricted stock awards. The repurchases for the six months ended September 30, 2018 and 2017 were at an average price of \$33.09 and \$52.33, respectively. All of the repurchased shares have been recorded as treasury stock.

During the six months ended September 30, 2018, we repurchased 1,449,750 shares of our common stock in conjunction with our share repurchase program. The repurchases were at an average price of \$34.47 per share, totaled \$50.0 million, and have been recorded as treasury stock.

11. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consisted of the following at September 30, 2018 and March 31, 2018:

<i>(In thousands)</i>	September 30, 2018	March 31, 2018
Components of Accumulated Other Comprehensive Loss		
Cumulative translation adjustment	\$ (25,517)	\$ (20,398)
Unrecognized net gain on pension plans	1,083	1,083
Accumulated other comprehensive loss, net of tax	\$ (24,434)	\$ (19,315)

As of September 30, 2018 and March 31, 2018, no amounts were reclassified from accumulated other comprehensive income into earnings.

12. Earnings Per Share

Basic earnings per share is computed based on income available to common stockholders and the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed based on income available to common stockholders and the weighted-average number of shares of common stock outstanding plus the effect of potentially dilutive common shares outstanding during the period using the treasury stock method, which includes stock options and restricted stock units ("RSUs"). Potential common shares, composed of the incremental common shares issuable upon the exercise of outstanding stock options and nonvested RSUs, are included in the diluted earnings per share calculation to the extent that they are dilutive. In loss periods, the assumed exercise of in-the-money stock options and restricted stock units has an anti-dilutive effect, and therefore these instruments are excluded from the computation of diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share:

<i>(In thousands, except per share data)</i>	Three Months Ended September 30,		Six Months Ended September 30,	
	2018	2017	2018	2017
Numerator				
Net income	\$ 30,841	\$ 30,705	\$ 65,307	\$ 64,464
Denominator				
Denominator for basic earnings per share — weighted average shares outstanding	51,841	53,098	52,238	53,068
Dilutive effect of nonvested restricted stock units and options issued to employees and directors	312	441	307	456
Denominator for diluted earnings per share	52,153	53,539	52,545	53,524
Earnings per Common Share:				
Basic earnings per share	\$ 0.59	\$ 0.58	\$ 1.25	\$ 1.21
Diluted earnings per share	\$ 0.59	\$ 0.57	\$ 1.24	\$ 1.20

For the three months ended September 30, 2018 and 2017, there were 0.7 million and 0.4 million shares, respectively, attributable to outstanding stock-based awards that were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. For the six months ended September 30, 2018 and 2017, there were 0.5 million and 0.4 million shares, respectively, attributable to outstanding stock-based awards that were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

13. Share-Based Compensation

In connection with our initial public offering, the Board of Directors adopted the 2005 Long-Term Equity Incentive Plan (the “Plan”), which provides for grants of up to a maximum of 5.0 million shares of restricted stock, stock options, RSUs and other equity-based awards. In June 2014, the Board of Directors approved, and in July 2014, our stockholders ratified, an increase of an additional 1.8 million shares of our common stock for issuance under the Plan, an increase of the maximum number of shares subject to stock options that may be awarded to any one participant under the Plan during any fiscal 12-month period from 1.0 million to 2.5 million shares, and an extension of the term of the Plan by ten years, to February 2025. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing services for the Company, are eligible for grants under the Plan.

During the three and six months ended September 30, 2018, pre-tax share-based compensation costs charged against income were \$2.7 million and \$4.3 million, respectively, and the related income tax benefit recognized was \$0.5 million and \$0.8 million, respectively. During the three and six months ended September 30, 2017, pre-tax share-based compensation costs charged against income were \$3.0 million and \$4.7 million, respectively, and the related income tax benefit recognized was \$1.0 million and \$1.5 million, respectively.

At September 30, 2018, there were \$9.4 million of unrecognized compensation costs related to nonvested share-based compensation arrangements under the Plan, based on management's estimate of the shares that will ultimately vest. We expect to recognize such costs over a weighted-average period of 1.0 year. The total fair value of options and RSUs vested during the six months ended September 30, 2018 and 2017 was \$11.9 million and \$6.7 million, respectively. For the six months ended September 30, 2018 and 2017, we received cash from the exercise of stock options of \$1.0 million and \$1.5 million, respectively. For the six months ended September 30, 2018 and 2017, we realized \$1.2 million and \$1.2 million, respectively, in tax benefits from the tax deductions resulting from RSU issuances and stock option exercises. At September 30, 2018, there were 1.8 million shares available for issuance under the Plan.

On May 7, 2018, the Compensation and Talent Management Committee of our Board of Directors granted 103,406 performance stock units, 100,399 RSUs and stock options to acquire 294,484 shares of our common stock to certain executive officers and

employees under the Plan. The stock options were granted at an exercise price of \$29.46 per share, which was equal to the closing price for our common stock on the date of the grant.

Each of the independent members of the Board of Directors received a grant under the Plan of 3,779 RSUs on July 31, 2018.

Restricted Stock Units

RSUs granted to employees under the Plan generally vest in three years, primarily upon the attainment of certain time vesting thresholds, and, in the case of performance share units, may also be contingent on the attainment of certain performance goals of the Company, including revenue and earnings before income taxes, depreciation and amortization targets. The RSUs provide for accelerated vesting if there is a change of control, as defined in the Plan. The RSUs granted to employees generally vest either ratably over three years or in their entirety on the three-year anniversary of the date of the grant. Upon vesting, the units will be settled in shares of our common stock. Termination of employment prior to vesting will result in forfeiture of the RSUs, unless otherwise accelerated by the Compensation and Talent Management Committee or, in the case of RSUs granted in May 2017 and 2018, subject to pro-rata vesting in the event of death, disability or retirement. The RSUs granted to directors vest immediately upon grant, and will be settled by delivery to the director of one share of our common stock for each vested RSU promptly following the earliest of the director's (i) death, (ii) disability or (iii) the six-month anniversary of the date on which the director's Board membership ceases for reasons other than death or disability.

The fair value of the RSUs is determined using the closing price of our common stock on the date of the grant.

A summary of the RSUs granted under the Plan is presented below:

RSUs	Shares (in thousands)	Weighted- Average Grant-Date Fair Value
Six Months Ended September 30, 2017		
Vested and nonvested at March 31, 2017	350.1	\$ 39.29
Granted	105.8	55.61
Vested and issued	(53.3)	34.30
Forfeited	(6.7)	49.30
Vested and nonvested at September 30, 2017	395.9	44.15
Vested at September 30, 2017	90.5	29.88
Six Months Ended September 30, 2018		
Vested and nonvested at March 31, 2018	393.5	\$ 44.13
Granted	226.4	30.09
Vested and issued	(175.8)	43.05
Forfeited	(31.1)	48.32
Vested and nonvested at September 30, 2018	413.0	36.58
Vested at September 30, 2018	113.2	31.05

Options

The Plan provides that the exercise price of options granted shall be no less than the fair market value of our common stock on the date the options are granted. Options granted have a term of no greater than ten years from the date of grant and vest in accordance with a schedule determined at the time the option is granted, generally three to five years. The option awards provide for accelerated vesting in the event of a change in control, as defined in the Plan. Except in the case of death, disability or retirement, termination of employment prior to vesting will result in forfeiture of the nonvested stock options. Vested stock options will remain exercisable by the employee after termination of employment, subject to the terms in the Plan.

The fair value of each option award is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on the historical volatility of our common stock and other factors, including the historical volatilities of comparable companies. We use appropriate historical data, as well as current data, to estimate option exercise and employee termination behaviors. Employees that are expected to exhibit similar exercise or termination behaviors are grouped together for the purposes of valuation. The expected terms of the options granted are derived

from our historical experience, management's estimates, and consideration of information derived from the public filings of companies similar to us, and represent the period of time that options granted are expected to be outstanding. The risk-free rate represents the yield on U.S. Treasury bonds with a maturity equal to the expected term of the granted options.

The weighted-average grant-date fair values of the options granted during the six months ended September 30, 2018 and 2017 were \$10.22 and \$21.20, respectively.

	Six Months Ended September 30,	
	2018	2017
Expected volatility	29.6%	35.2%
Expected dividends	\$ —	\$ —
Expected term in years	6.0	6.0
Risk-free rate	2.9%	2.2%

A summary of option activity under the Plan is as follows:

Options	Shares (in thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
<u>Six Months Ended September 30, 2017</u>				
Outstanding at March 31, 2017	772.3	\$ 37.70		
Granted	182.8	56.11		
Exercised	(51.0)	28.76		
Forfeited or expired	(19.0)	47.57		
Outstanding at September 30, 2017	<u>885.1</u>	41.80	7.5	\$ 9,768
Exercisable at September 30, 2017	<u>498.4</u>	32.34	6.3	\$ 9,305
<u>Six Months Ended September 30, 2018</u>				
Outstanding at March 31, 2018	873.2	\$ 41.79		
Granted	294.5	29.46		
Exercised	(37.2)	27.60		
Forfeited or expired	(125.4)	47.16		
Outstanding at September 30, 2018	<u>1,005.1</u>	38.03	7.3	\$ 6,271
Exercisable at September 30, 2018	<u>555.2</u>	37.08	6.4	\$ 3,890

The aggregate intrinsic value of options exercised during the six months ended September 30, 2018 was \$0.3 million.

14. Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Act. The Tax Act represents significant U.S. federal tax reform legislation that includes a permanent reduction to the U.S. federal corporate income tax rate. The permanent reduction to the federal corporate income tax rate resulted in a one-time gain of \$267.0 million related to the value of our deferred tax liabilities and a gain of \$3.2 million related to the lower blended tax rate on our earnings, in the year ended March 31, 2018, resulting in a net gain of \$270.2 million. Additionally, the Tax Act subjects certain of our cumulative foreign earnings and profits to U.S. income taxes through a deemed repatriation, which resulted in a charge of \$1.9 million in the year ended March 31, 2018.

The changes included in the Tax Act are broad and complex. The final transition impacts of the Tax Act may differ from the above estimates, possibly materially, due to, among other things, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, any changes in accounting standards for income taxes or related interpretations in response to the Tax Act, or any updates or changes to estimates we have utilized to calculate the transition impacts, including impacts from changes to current year earnings estimates and foreign exchange rates of foreign subsidiaries. The U.S. Securities and Exchange Commission ("SEC") has issued rules that allow for a measurement period of up to one year after the enactment

date of the Tax Act to finalize the recording of the related tax impacts. We currently anticipate finalizing and recording any resulting adjustment by the end of the measurement period.

Income taxes are recorded in our quarterly financial statements based on our estimated annual effective income tax rate, subject to adjustments for discrete events, should they occur. The effective rates used in the calculation of income taxes were 29.1% and 37.7% for the three months ended September 30, 2018 and 2017, respectively. The effective rates used in the calculation of income taxes were 27.4% and 36.8% for the six months ended September 30, 2018 and 2017, respectively. The decreases in the effective tax rates for the three and six months ended September 30, 2018 versus the respective prior year periods were primarily related to the Tax Act.

The balance in our uncertain tax liability was \$10.8 million at September 30, 2018 and at March 31, 2018. We recognize interest and penalties related to uncertain tax positions as a component of income tax expense. We did not incur any material interest or penalties related to income taxes in any of the periods presented.

15. Employee Retirement Plans

The primary components of Net Periodic Benefits consist of the following:

<i>.(In thousands)</i>	Three Months Ended September 30,		Six Months Ended September 30,	
	2018	2017	2018	2017
Interest cost	\$ 610	\$ 634	1,220	\$ 1,263
Expected return on assets	(768)	(725)	(1,536)	(1,451)
Net periodic benefit income	\$ (158)	\$ (91)	\$ (316)	\$ (188)

During the six months ended September 30, 2018, we contributed \$0.2 million to our non-qualified defined benefit plan and \$1.0 million to the qualified defined benefit plan. During the remainder of fiscal 2019, we expect to contribute an additional \$0.2 million to our non-qualified plan and make no contributions to the qualified plan.

16. Commitments and Contingencies

We are involved from time to time in legal matters and other claims incidental to our business. We review outstanding claims and proceedings internally and with external counsel as necessary to assess the probability and amount of a potential loss. These assessments are re-evaluated at each reporting period and as new information becomes available to determine whether a reserve should be established or if any existing reserve should be adjusted. The actual cost of resolving a claim or proceeding ultimately may be substantially different than the amount of the recorded reserve. In addition, because it is not permissible under GAAP to establish a litigation reserve until the loss is both probable and estimable, in some cases there may be insufficient time to establish a reserve prior to the actual incurrence of the loss (upon verdict and judgment at trial, for example, or in the case of a quickly negotiated settlement). We believe the resolution of routine legal matters and other claims incidental to our business, taking our reserves into account, will not have a material adverse effect on our business, financial condition, or results of operations.

17. Concentrations of Risk

Our revenues are concentrated in the areas of OTC Healthcare and Household Cleaning products (prior to the sale of our Household Cleaning segment, as discussed in Note 3). We sell our products to mass merchandisers and drug, food, dollar, convenience and club stores and e-commerce channels. During the three and six months ended September 30, 2018, approximately 44.7% and 43.5%, respectively, of our gross revenues were derived from our five top selling brands. During the three and six months ended September 30, 2017, approximately 40.8% and 42.0%, respectively, of our gross revenues were derived from our five top selling brands. Two customers, Walmart and Walgreens, accounted for more than 10% of our gross revenues for certain periods presented. Walmart accounted for approximately 23.6% and 24.1%, respectively, of our gross revenues for the three and six months ended September 30, 2018. Walgreens accounted for approximately 10.0% and 9.3%, respectively, of our gross revenues for the three and six months ended September 30, 2018. Walmart accounted for approximately 25.3% and 25.4%, respectively, of our gross revenues for the three and six months ended September 30, 2017. Walgreens accounted for approximately 8.7% and 8.9%, respectively, of our gross revenues for the three and six months ended September 30, 2017. The gross revenues for Walmart and Walgreens are included in our North American OTC Healthcare segment and Household Cleaning segment (prior to the sale of our Household Cleaning segment on July 2, 2018).

Our product distribution in the United States is managed by a third party through one primary distribution center near St. Louis, Missouri, and we operate one manufacturing facility located in Lynchburg, Virginia. A serious disruption, caused by performance or contractual issues with the third party distribution manager or by earthquake, flood, or fire, could damage our inventory and/or materially impair our ability to distribute our products to customers in a timely manner or at a reasonable cost. Any disruption as a result of third party performance at our distribution center could result in increased costs, expense, shipping times, customer fees and penalties. In addition, any serious disruption to our Lynchburg manufacturing facility could materially impair our ability to manufacture many of our products, which would also limit our ability to provide products to customers in a timely manner or at a reasonable cost. We could also incur significantly higher costs and experience longer lead times should we be required to reopen or replace our primary distribution center, the third party distribution manager or the manufacturing facility. As a result, any serious disruption could have a material adverse effect on our business, financial condition and results of operations.

At September 30, 2018, we had relationships with 110 third-party manufacturers. Of those, we had long-term contracts with 34 manufacturers that produced items that accounted for approximately 60.0% of gross sales for the six months ended September 30, 2018. At September 30, 2017, we had relationships with 110 third-party manufacturers. Of those, we had long-term contracts with 45 manufacturers that produced items that accounted for approximately 79.5% of gross sales for the six months ended September 30, 2017. The fact that we do not have long-term contracts with certain manufacturers means that they could cease manufacturing our products at any time and for any reason or initiate arbitrary and costly price increases, which could have a material adverse effect on our business and results of operations. Although we are in the process of negotiating long-term contracts with certain key manufacturers, we may not be able to reach a timely agreement, which could have a material adverse effect on our business and results of operations.

18. Business Segments

Segment information has been prepared in accordance with the Segment Reporting topic of the FASB ASC 280. Our current reportable segments consist of (i) North American OTC Healthcare and (ii) International OTC Healthcare. We sold our Household Cleaning segment on July 2, 2018; see Note 3 for further information. We evaluate the performance of our operating segments and allocate resources to these segments based primarily on contribution margin, which we define as gross profit less advertising and promotional expenses.

The tables below summarize information about our reportable segments.

	Three Months Ended September 30, 2018			
	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
<i>(In thousands)</i>				
Total segment revenues*	\$ 215,950	\$ 23,407	\$ —	\$ 239,357
Cost of sales	92,007	9,878	—	101,885
Gross profit	123,943	13,529	—	137,472
Advertising and promotion	33,325	3,717	—	37,042
Contribution margin	<u>\$ 90,618</u>	<u>\$ 9,812</u>	<u>\$ —</u>	<u>100,430</u>
Other operating expenses				29,506
Operating income				70,924
Other expense				27,405
Income before income taxes				43,519
Provision for income taxes				12,678
Net income				<u>\$ 30,841</u>

* Intersegment revenues of \$1.6 million were eliminated from the North American OTC Healthcare segment.

Six Months Ended September 30, 2018

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	\$ 430,725	\$ 42,801	\$ 19,811	\$ 493,337
Cost of sales	181,160	17,494	16,588	215,242
Gross profit	249,565	25,307	3,223	278,095
Advertising and promotion	66,583	7,140	430	74,153
Contribution margin	\$ 182,982	\$ 18,167	\$ 2,793	203,942
Other operating expenses				60,531
Operating income				143,411
Other expense				53,432
Income before income taxes				89,979
Provision for income taxes				24,672
Net income				\$ 65,307

* Intersegment revenues of \$4.3 million were eliminated from the North American OTC Healthcare segment.

Three Months Ended September 30, 2017

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	\$ 215,302	\$ 20,957	\$ 21,767	\$ 258,026
Cost of sales	87,184	9,296	17,448	113,928
Gross profit	128,118	11,661	4,319	144,098
Advertising and promotion	35,064	3,593	531	39,188
Contribution margin	\$ 93,054	\$ 8,068	\$ 3,788	104,910
Other operating expenses				29,185
Operating income				75,725
Other expense				26,404
Income before income taxes				49,321
Provision for income taxes				18,616
Net income				\$ 30,705

* Intersegment revenues of \$2.3 million were eliminated from the North American OTC Healthcare segment.

Six Months Ended September 30, 2017

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	\$ 431,117	\$ 41,855	\$ 41,627	\$ 514,599
Cost of sales	173,685	19,246	34,094	227,025
Gross profit	257,432	22,609	7,533	287,574
Advertising and promotion	67,872	7,283	977	76,132
Contribution margin	\$ 189,560	\$ 15,326	\$ 6,556	211,442
Other operating expenses				56,762
Operating income				154,680
Other expense				52,671
Income before income taxes				102,009
Provision for income taxes				37,545
Net income				\$ 64,464

* Intersegment revenues of \$3.7 million were eliminated from the North American OTC Healthcare segment.

The tables below summarize information about our segment revenues from similar product groups.

Three Months Ended September 30, 2018

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Analgesics	\$ 28,638	\$ 125	\$ —	\$ 28,763
Cough & Cold	20,492	5,734	—	26,226
Women's Health	61,614	3,270	—	64,884
Gastrointestinal	30,529	7,950	—	38,479
Eye & Ear Care	24,845	2,995	—	27,840
Dermatologicals	25,338	605	—	25,943
Oral Care	23,142	2,727	—	25,869
Other OTC	1,352	1	—	1,353
Household Cleaning	—	—	—	—
Total segment revenues	<u>\$ 215,950</u>	<u>\$ 23,407</u>	<u>\$ —</u>	<u>\$ 239,357</u>

Six Months Ended September 30, 2018

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Analgesics	\$ 56,896	\$ 282	\$ —	\$ 57,178
Cough & Cold	36,706	10,905	—	47,611
Women's Health	125,091	5,527	—	130,618
Gastrointestinal	63,328	13,940	—	77,268
Eye & Ear Care	50,317	5,614	—	55,931
Dermatologicals	50,460	1,137	—	51,597
Oral Care	45,339	5,394	—	50,733
Other OTC	2,588	2	—	2,590
Household Cleaning	—	—	19,811	19,811
Total segment revenues	<u>\$ 430,725</u>	<u>\$ 42,801</u>	<u>\$ 19,811</u>	<u>\$ 493,337</u>

Three Months Ended September 30, 2017

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Analgesics	\$ 29,348	\$ 40	\$ —	\$ 29,388
Cough & Cold	21,567	4,659	—	26,226
Women's Health	61,436	1,906	—	63,342
Gastrointestinal	28,323	8,139	—	36,462
Eye & Ear Care	22,535	2,590	—	25,125
Dermatologicals	25,821	524	—	26,345
Oral Care	24,990	3,097	—	28,087
Other OTC	1,282	2	—	1,284
Household Cleaning	—	—	21,767	21,767
Total segment revenues	<u>\$ 215,302</u>	<u>\$ 20,957</u>	<u>\$ 21,767</u>	<u>\$ 258,026</u>

Six Months Ended September 30, 2017

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Analgesics	\$ 58,638	\$ 549	\$ —	\$ 59,187
Cough & Cold	38,977	9,272	—	48,249
Women's Health	124,581	5,500	—	130,081
Gastrointestinal	58,753	13,872	—	72,625
Eye & Ear Care	47,806	5,645	—	53,451
Dermatologicals	49,952	1,025	—	50,977
Oral Care	49,882	5,989	—	55,871
Other OTC	2,528	3	—	2,531
Household Cleaning	—	—	41,627	41,627
Total segment revenues	\$ 431,117	\$ 41,855	\$ 41,627	\$ 514,599

Our total segment revenues by geographic area are as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2018	2017	2018	2017
United States	\$ 203,763	\$ 225,351	\$ 427,240	\$ 450,345
Rest of world	35,594	32,675	66,097	64,254
Total	\$ 239,357	\$ 258,026	\$ 493,337	\$ 514,599

Our consolidated goodwill and intangible assets have been allocated to the reportable segments as follows:

September 30, 2018 <i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Goodwill	\$ 580,934	\$ 31,510	\$ —	\$ 612,444
Intangible assets				
Indefinite-lived	2,375,737	78,887	—	2,454,624
Finite-lived, net	254,876	5,570	—	260,446
Intangible assets, net	2,630,613	84,457	—	2,715,070
Total	\$ 3,211,547	\$ 115,967	\$ —	\$ 3,327,514

March 31, 2018 <i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Goodwill	\$ 580,934	\$ 32,919	\$ 6,245	\$ 620,098
Intangible assets				
Indefinite-lived	2,375,736	84,006	30,561	2,490,303
Finite-lived, net	265,356	6,068	19,189	290,613
Intangible assets, net	2,641,092	90,074	49,750	2,780,916
Total	\$ 3,222,026	\$ 122,993	\$ 55,995	\$ 3,401,014

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the Condensed Consolidated Financial Statements and the related notes included in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. This discussion and analysis may contain forward-looking statements that involve certain risks, assumptions and uncertainties. Future results could differ materially from the discussion that follows for many reasons, including the factors described in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018 and in future reports filed with the U.S. Securities and Exchange Commission ("SEC").

See also "Cautionary Statement Regarding Forward-Looking Statements" on page 32 of this Quarterly Report on Form 10-Q.

Unless otherwise indicated by the context, all references in this Quarterly Report on Form 10-Q to "we," "us," "our," the "Company" or "Prestige" refer to Prestige Consumer Healthcare Inc. and our subsidiaries. Similarly, reference to a year (e.g., "2019") refers to our fiscal year ended March 31 of that year.

General

We are engaged in the development, manufacturing, marketing, sales and distribution of well-recognized, brand name over-the-counter ("OTC") healthcare and household cleaning products (prior to the sale of our Household Cleaning segment on July 2, 2018) to mass merchandisers and drug, food, dollar, convenience, and club stores and e-commerce channels in North America (the United States and Canada) and in Australia and certain other international markets. We use the strength of our brands, our established retail distribution network, a low-cost operating model and our experienced management team to our competitive advantage.

We have grown our brand portfolio both organically and through acquisitions. We develop our existing brands by investing in new product lines, brand extensions and strong advertising support. Acquisitions of OTC brands have also been an important part of our growth strategy. We have acquired strong and well-recognized brands from consumer products and pharmaceutical companies, as well as private equity firms. While many of these brands have long histories of brand development and investment, we believe that, at the time we acquired them, most were considered "non-core" by their previous owners. As a result, these acquired brands did not benefit from adequate management focus and marketing support during the period prior to their acquisition, which created opportunities for us to reinvigorate these brands and improve their performance post-acquisition. After adding a core brand to our portfolio, we seek to increase its sales, market share and distribution in both existing and new channels through our established retail distribution network. We pursue this growth through increased spending on advertising and promotional support, new sales and marketing strategies, improved packaging and formulations, and innovative development of brand extensions.

Divestiture

On July 2, 2018, we entered into an Asset Purchase Agreement with KIK International LLC, pursuant to which we sold certain assets, including certain intellectual property rights, associated with our Household Cleaning segment. The assets sold represent our Household Cleaning segment. We received proceeds of \$65.9 million and used the net proceeds to repay long-term debt in July 2018. As a condition of the agreement, we entered into a Transitional Services Agreement on July 2, 2018, under which we will provide certain services to KIK International LLC related to the transition of the business for a specified period of time.

Tax Reform

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act ("Tax Act"). The Tax Act represents significant U.S. federal tax reform legislation that includes a permanent reduction to the U.S. federal corporate income tax rate. The permanent reduction to the federal corporate income tax rate resulted in a one-time gain of \$267.0 million related to the value of our deferred tax liabilities and a gain of \$3.2 million related to the lower blended tax rate on our earnings, in the year ended March 31, 2018, resulting in a net gain of \$270.2 million. Additionally, the Tax Act subjects certain of our cumulative foreign earnings and profits to U.S. income taxes through a deemed repatriation, which resulted in a charge of \$1.9 million in the year ended March 31, 2018.

The changes included in the Tax Act are broad and complex. The final transition impacts of the Tax Act may differ from the above estimates, possibly materially, due to, among other things, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, any changes in accounting standards for income taxes or related interpretations in response to the Tax Act, or any updates or changes to estimates the Company has utilized to calculate the transition impacts, including impacts from changes to current year earnings estimates and foreign exchange rates of foreign subsidiaries. The SEC

has issued rules that allow for a measurement period of up to one year after the enactment date of the Tax Act to finalize the recording of the related tax impacts.

Results of Operations

Three Months Ended September 30, 2018 compared to the Three Months Ended September 30, 2017

Total Segment Revenues

The following table represents total revenue by segment, including product groups, for the three months ended September 30, 2018 and 2017.

<i>(In thousands)</i>	Three Months Ended September 30,					
	2018	%	2017	%	Increase (Decrease)	
					Amount	%
North American OTC Healthcare						
Analgesics	\$ 28,638	12.0	\$ 29,348	11.4	\$ (710)	(2.4)
Cough & Cold	20,492	8.5	21,567	8.4	(1,075)	(5.0)
Women's Health	61,614	25.7	61,436	23.8	178	0.3
Gastrointestinal	30,529	12.7	28,323	11.0	2,206	7.8
Eye & Ear Care	24,845	10.4	22,535	8.7	2,310	10.3
Dermatologicals	25,338	10.6	25,821	10.0	(483)	(1.9)
Oral Care	23,142	9.7	24,990	9.7	(1,848)	(7.4)
Other OTC	1,352	0.6	1,282	0.5	70	5.5
Total North American OTC Healthcare	215,950	90.2	215,302	83.5	648	0.3
International OTC Healthcare						
Analgesics	125	0.1	40	—	85	212.5
Cough & Cold	5,734	2.4	4,659	1.8	1,075	23.1
Women's Health	3,270	1.4	1,906	0.7	1,364	71.6
Gastrointestinal	7,950	3.2	8,139	3.2	(189)	(2.3)
Eye & Ear Care	2,995	1.3	2,590	1.0	405	15.6
Dermatologicals	605	0.3	524	0.2	81	15.5
Oral Care	2,727	1.1	3,097	1.2	(370)	(11.9)
Other OTC	1	—	2	—	(1)	(50.0)
Total International OTC Healthcare	23,407	9.8	20,957	8.1	2,450	11.7
Total OTC Healthcare	239,357	100.0	236,259	91.6	3,098	1.3
Household Cleaning	—	—	21,767	8.4	(21,767)	(100.0)
Total Consolidated	\$ 239,357	100.0	\$ 258,026	100.0	\$ (18,669)	(7.2)

Total segment revenues for the three months ended September 30, 2018 were \$239.4 million, a decrease of \$18.7 million, or 7.2%, versus the three months ended September 30, 2017. The \$18.7 million decrease was primarily related to the sale of our Household Cleaning segment on July 2, 2018.

North American OTC Healthcare Segment

Revenues for the North American OTC Healthcare segment were relatively flat, increasing \$0.6 million, or 0.3%, during the three months ended September 30, 2018 versus the three months ended September 30, 2017.

International OTC Healthcare Segment

Revenues for the International OTC Healthcare segment increased \$2.5 million, or 11.7%, during the three months ended September 30, 2018 versus the three months ended September 30, 2017. The increase was primarily attributable to timing of distributor orders.

Household Cleaning Segment

Due to the sale of our Household Cleaning segment on July 2, 2018, there were no related revenues for the current period.

Gross Profit

The following table presents our gross profit and gross profit as a percentage of total segment revenues, by segment for each of the periods presented.

<i>(In thousands)</i>	Three Months Ended September 30,					
	2018		2017		Increase (Decrease)	
Gross Profit	2018	%	2017	%	Amount	%
North American OTC Healthcare	\$ 123,943	57.4	\$ 128,118	59.5	\$ (4,175)	(3.3)
International OTC Healthcare	13,529	57.8	11,661	55.6	1,868	16.0
Household Cleaning	—	—	4,319	19.8	(4,319)	(100.0)
	<u>\$ 137,472</u>	<u>57.4</u>	<u>\$ 144,098</u>	<u>55.8</u>	<u>\$ (6,626)</u>	<u>(4.6)</u>

Gross profit for the three months ended September 30, 2018 decreased \$6.6 million, or 4.6%, when compared with the three months ended September 30, 2017. The decrease in gross profit was primarily due to the sale of our Household Cleaning segment and decreases in gross profit within the North American OTC Healthcare segment. As a percentage of total revenues, gross profit increased to 57.4% during the three months ended September 30, 2018, compared to 55.8% during the three months ended September 30, 2017. The increase in gross profit as a percentage of revenues was primarily a result of lower gross margins associated with our divested Household Cleaning segment.

North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment decreased \$4.2 million, or 3.3%, during the three months ended September 30, 2018 versus the three months ended September 30, 2017. As a percentage of North American OTC Healthcare revenues, gross profit decreased to 57.4% during the three months ended September 30, 2018 from 59.5% during the three months ended September 30, 2017, primarily due to higher distribution costs and increased costs related to the BC and Goody's packaging change.

International OTC Healthcare Segment

Gross profit for the International OTC Healthcare segment increased \$1.9 million, or 16.0%, during the three months ended September 30, 2018 versus the three months ended September 30, 2017. As a percentage of International OTC Healthcare revenues, gross profit increased to 57.8% during the three months ended September 30, 2018 from 55.6% during the three months ended September 30, 2017, primarily due to product mix.

Household Cleaning Segment

Due to the sale of our Household Cleaning segment on July 2, 2018, there was no related gross profit for the current period.

Contribution Margin

Contribution margin is our segment measure of profitability. It is defined as gross profit less advertising and promotional expenses.

The following table presents our contribution margin and contribution margin as a percentage of total segment revenues, by segment for each of the periods presented.

<i>(In thousands)</i>	Three Months Ended September 30,					
	2018		2017		Increase (Decrease)	
Contribution Margin	2018	%	2017	%	Amount	%
North American OTC Healthcare	\$ 90,618	42.0	\$ 93,054	43.2	\$ (2,436)	(2.6)
International OTC Healthcare	9,812	41.9	8,068	38.5	1,744	21.6
Household Cleaning	—	—	3,788	17.4	(3,788)	(100.0)
	<u>\$ 100,430</u>	<u>42.0</u>	<u>\$ 104,910</u>	<u>40.7</u>	<u>\$ (4,480)</u>	<u>(4.3)</u>

North American OTC Healthcare Segment

Contribution margin for the North American OTC Healthcare segment decreased \$2.4 million, or 2.6%, during the three months ended September 30, 2018 versus the three months ended September 30, 2017. As a percentage of North American OTC Healthcare revenues, contribution margin decreased to 42.0% during the three months ended September 30, 2018 from 43.2% during the

three months ended September 30, 2017. The contribution margin decrease as a percentage of revenues was primarily due to the gross profit decrease as a percentage of revenues in the North American OTC Healthcare segment discussed above.

International OTC Healthcare Segment

Contribution margin for the International OTC Healthcare segment increased \$1.7 million, or 21.6%, during the three months ended September 30, 2018 versus the three months ended September 30, 2017. As a percentage of International OTC Healthcare revenues, contribution margin increased to 41.9% during the three months ended September 30, 2018 from 38.5% during the three months ended September 30, 2017. The contribution margin increase as a percentage of revenues was primarily due to the gross profit increase as a percentage of revenues in the International OTC Healthcare segment discussed above.

Household Cleaning Segment

Due to the sale of our Household Cleaning segment on July 2, 2018, there was no related contribution margin for the current period.

General and Administrative

General and administrative expenses were \$24.0 million for the three months ended September 30, 2018 versus \$22.0 million for the three months ended September 30, 2017. The increase in general and administrative expenses was primarily due to costs associated with the sale of the Household Cleaning segment.

Depreciation and Amortization

Depreciation and amortization expenses were \$6.8 million for the three months ended September 30, 2018 versus \$7.2 million for the three months ended September 30, 2017. The decrease in depreciation and amortization expenses was primarily due to the sale of our Household Cleaning segment.

Interest Expense

Interest expense was \$27.1 million during the three months ended September 30, 2018, versus \$26.9 million during the three months ended September 30, 2017. The average indebtedness decreased to \$2.0 billion during the three months ended September 30, 2018 from \$2.2 billion during the three months ended September 30, 2017. The average cost of borrowing increased to 5.5% for the three months ended September 30, 2018 from 5.0% from the three months ended September 30, 2017.

Income Taxes

The provision for income taxes during the three months ended September 30, 2018 was \$12.7 million versus \$18.6 million during the three months ended September 30, 2017. The effective tax rate during the three months ended September 30, 2018 was 29.1% versus 37.7% during the three months ended September 30, 2017. The decrease in the effective tax rate for the three months ended September 30, 2018 was primarily due to a reduction in the corporate tax rate as a result of the Tax Act.

Results of Operations Six Months Ended September 30, 2018 compared to the Six Months Ended September 30, 2017

Total Segment Revenues

The following table represents total revenue by segment, including product groups, for the six months ended September 30, 2018 and 2017.

<i>(In thousands)</i>	Six Months Ended September 30,					
	2018		2017		Increase (Decrease)	
		%		%	Amount	%
North American OTC Healthcare						
Analgesics	\$ 56,896	11.5	\$ 58,638	11.4	\$ (1,742)	(3.0)
Cough & Cold	36,706	7.4	38,977	7.5	(2,271)	(5.8)
Women's Health	125,091	25.4	124,581	24.2	510	0.4
Gastrointestinal	63,328	12.8	58,753	11.4	4,575	7.8
Eye & Ear Care	50,317	10.2	47,806	9.3	2,511	5.3
Dermatologicals	50,460	10.2	49,952	9.7	508	1.0
Oral Care	45,339	9.3	49,882	9.7	(4,543)	(9.1)
Other OTC	2,588	0.5	2,528	0.5	60	2.4
Total North American OTC Healthcare	430,725	87.3	431,117	83.7	(392)	(0.1)
International OTC Healthcare						
Analgesics	282	0.1	549	0.1	(267)	(48.6)
Cough & Cold	10,905	2.2	9,272	1.8	1,633	17.6
Women's Health	5,527	1.1	5,500	1.1	27	0.5
Gastrointestinal	13,940	2.8	13,872	2.7	68	0.5
Eye & Ear Care	5,614	1.1	5,645	1.1	(31)	(0.5)
Dermatologicals	1,137	0.3	1,025	0.2	112	10.9
Oral Care	5,394	1.1	5,989	1.2	(595)	(9.9)
Other OTC	2	—	3	—	(1)	(33.3)
Total International OTC Healthcare	42,801	8.7	41,855	8.2	946	2.3
Total OTC Healthcare	473,526	96.0	472,972	91.9	554	0.1
Household Cleaning	19,811	4.0	41,627	8.1	(21,816)	(52.4)
Total Consolidated	\$ 493,337	100.0	\$ 514,599	100.0	\$ (21,262)	(4.1)

Total segment revenues for the six months ended September 30, 2018 were \$493.3 million, a decrease of \$21.3 million, or 4.1%, versus the six months ended September 30, 2017. The \$21.3 million decrease was primarily related to the sale of our Household Cleaning segment on July 2, 2018.

North American OTC Healthcare Segment

Revenues for the North American OTC Healthcare segment were relatively flat, decreasing \$0.4 million, or 0.1%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017.

International OTC Healthcare Segment

Revenues for the International OTC Healthcare segment were relatively flat, increasing \$0.9 million, or 2.3%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017.

Household Cleaning Segment

Revenues for the Household Cleaning segment decreased \$21.8 million, or 52.4%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. The decrease was attributable to the sale of our Household Cleaning segment on July 2, 2018.

Gross Profit

The following table presents our gross profit and gross profit as a percentage of total segment revenues, by segment for each of the periods presented.

<i>(In thousands)</i>	Six Months Ended September 30,					
	2018		2017		Increase (Decrease)	
Gross Profit	\$	%	\$	%	Amount	%
North American OTC Healthcare	\$ 249,565	57.9	\$ 257,432	59.7	\$ (7,867)	(3.1)
International OTC Healthcare	25,307	59.1	22,609	54.0	2,698	11.9
Household Cleaning	3,223	16.3	7,533	18.1	(4,310)	(57.2)
	<u>\$ 278,095</u>	<u>56.4</u>	<u>\$ 287,574</u>	<u>55.9</u>	<u>\$ (9,479)</u>	<u>(3.3)</u>

Gross profit for the six months ended September 30, 2018 decreased \$9.5 million, or 3.3%, when compared with the six months ended September 30, 2017. The decrease in gross profit was primarily due to decreases in gross profit within the North American OTC Healthcare segment and the sale of our Household Cleaning segment. As a percentage of total revenues, gross profit increased to 56.4% during the six months ended September 30, 2018, from 55.9% during the six months ended September 30, 2017. The increase in gross profit as a percentage of revenues was primarily a result of lower gross margins associated with our divested Household Cleaning segment.

North American OTC Healthcare Segment

Gross profit for the North American OTC Healthcare segment decreased \$7.9 million, or 3.1%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. As a percentage of North American OTC Healthcare revenues, gross profit decreased to 57.9% during the six months ended September 30, 2018 from 59.7% during the six months ended September 30, 2017, primarily due to higher distribution costs and increased costs related to the BC and Goody's packaging change.

International OTC Healthcare Segment

Gross profit for the International OTC Healthcare segment increased \$2.7 million, or 11.9%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. As a percentage of International OTC Healthcare revenues, gross profit increased to 59.1% during the six months ended September 30, 2018 from 54.0% during the six months ended September 30, 2017, primarily due to product mix.

Household Cleaning Segment

Gross profit for the Household Cleaning segment decreased \$4.3 million, or 57.2%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. The decrease was attributable to the sale of our Household Cleaning segment on July 2, 2018.

Contribution Margin

Contribution margin is our segment measure of profitability. It is defined as gross profit less advertising and promotional expenses.

The following table presents our contribution margin and contribution margin as a percentage of total segment revenues, by segment for each of the periods presented.

<i>(In thousands)</i>	Six Months Ended September 30,					
	2018		2017		Increase (Decrease)	
Contribution Margin	2018	%	2017	%	Amount	%
North American OTC Healthcare	\$ 182,982	42.5	\$ 189,560	44.0	\$ (6,578)	(3.5)
International OTC Healthcare	18,167	42.4	15,326	36.6	2,841	18.5
Household Cleaning	2,793	14.1	6,556	15.7	(3,763)	(57.4)
	<u>\$ 203,942</u>	<u>41.3</u>	<u>\$ 211,442</u>	<u>41.1</u>	<u>\$ (7,500)</u>	<u>(3.5)</u>

North American OTC Healthcare Segment

Contribution margin for the North American OTC Healthcare segment decreased \$6.6 million, or 3.5%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. As a percentage of North American OTC Healthcare revenues, contribution margin decreased to 42.5% during the six months ended September 30, 2018 from 44.0% during the six months ended September 30, 2017. The contribution margin decrease as a percentage of revenues was primarily due to the gross profit decrease as a percentage of revenues in the North American OTC Healthcare segment discussed above.

International OTC Healthcare Segment

Contribution margin for the International OTC Healthcare segment increased \$2.8 million, or 18.5%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. As a percentage of International OTC Healthcare revenues, contribution margin increased to 42.4% during the six months ended September 30, 2018 from 36.6% during the six months ended September 30, 2017. The contribution margin increase as a percentage of revenues was primarily due to the gross profit increase as a percentage of revenues in the International OTC Healthcare segment discussed above.

Household Cleaning Segment

Contribution margin for the Household Cleaning segment decreased \$3.8 million, or 57.4%, during the six months ended September 30, 2018 versus the six months ended September 30, 2017. The decrease was attributable to the sale of our Household Cleaning segment on July 2, 2018.

General and Administrative

General and administrative expenses were \$48.0 million for the six months ended September 30, 2018 versus \$42.4 million for the six months ended September 30, 2017. The increase in general and administrative expenses was primarily due to costs associated with the sale of the Household Cleaning segment, as well as increased information technology and legal costs.

Depreciation and Amortization

Depreciation and amortization expenses were \$13.8 million for the six months ended September 30, 2018 and \$14.4 million for the six months ended September 30, 2017. The decrease in depreciation and amortization expenses was primarily due to the sale of our Household Cleaning segment.

Interest Expense

Interest expense was \$53.1 million during the six months ended September 30, 2018, versus \$53.3 million during the six months ended September 30, 2017. The average indebtedness decreased to \$2.0 billion during the six months ended September 30, 2018 from \$2.2 billion during the six months ended September 30, 2017. The average cost of borrowing increased to 5.3% for the six months ended September 30, 2018 from 4.9% from the six months ended September 30, 2017.

Income Taxes

The provision for income taxes during the six months ended September 30, 2018 was \$24.7 million versus \$37.5 million during the six months ended September 30, 2017. The effective tax rate during the six months ended September 30, 2018 was 27.4% versus 36.8% during the six months ended September 30, 2017. The decrease in the effective tax rate for the six months ended September 30, 2018 was primarily due to a reduction in the corporate tax rate as a result of the Tax Act.

Liquidity and Capital Resources

Liquidity

Our primary source of cash comes from our cash flow from operations. In the past, we have supplemented this source of cash with various debt facilities, primarily in connection with acquisitions. We have financed our operations, and expect to continue to finance our operations over the next twelve months, with a combination of funds generated from operations and borrowings. Our principal uses of cash are for operating expenses, debt service, share repurchase and acquisitions. Based on our current levels of operations and anticipated growth, excluding acquisitions, we believe that our cash generated from operations and our existing credit facilities will be adequate to finance our working capital and capital expenditures through the next twelve months.

As of September 30, 2018, we had cash and cash equivalents of \$36.9 million, an increase of \$4.4 million from March 31, 2018. The following table summarizes the change:

<i>(In thousands)</i>	Six Months Ended September 30,		
	2018	2017	\$ Change
Cash provided by (used in):			
Operating Activities	\$ 95,107	\$ 108,540	\$ (13,433)
Investing Activities	60,838	(3,815)	64,653
Financing Activities	(151,231)	(104,609)	(46,622)
Effects of exchange rate changes on cash and cash equivalents	(352)	1,006	(1,358)
Net change in cash and cash equivalents	\$ 4,362	\$ 1,122	\$ 3,240

Operating Activities

Net cash provided by operating activities was \$95.1 million for the six months ended September 30, 2018 compared to \$108.5 million for the six months ended September 30, 2017. The \$13.4 million decrease was primarily due to the sale of our Household Cleaning segment.

Investing Activities

Net cash provided by investing activities was \$60.8 million for the six months ended September 30, 2018 compared to a use of cash of \$3.8 million for the six months ended September 30, 2017. The change was due to proceeds from the divestiture of our Household Cleaning segment in the current period.

Financing Activities

Net cash used in financing activities was \$151.2 million for the six months ended September 30, 2018 compared to \$104.6 million for the six months ended September 30, 2017. The change was primarily due to the repurchase of shares of our common stock in conjunction with our share repurchase program in the current period.

Capital Resources

As of September 30, 2018, we had an aggregate of \$1.9 billion of outstanding indebtedness, which consisted of the following:

- \$400.0 million of 5.375% 2013 Senior Notes, which mature on December 15, 2021;
- \$600.0 million of 6.375% 2016 Senior Notes, which mature on March 1, 2024;
- \$838.0 million of borrowings under the 2012 Term B-5 Loans due January 26, 2024; and
- \$75.0 million of borrowings under the 2012 ABL Revolver due January 26, 2022.

As of September 30, 2018, we had \$85.0 million of an additional borrowing capacity under the 2012 ABL Revolver.

During the years ended March 31, 2018 and 2017, we made voluntary principal payments against outstanding indebtedness of \$444.0 million and \$175.5 million, respectively, under the 2012 Term Loan. During the six months ended September 30, 2018, we made voluntary principal payments of \$100.0 million under the 2012 Term Loan. Under the Term Loan Amendment No. 5, we are required to make quarterly payments each equal to 0.25% of the aggregate principal amount, which, as of September 30, 2018, was \$838.0 million. Since we have made optional payments that exceed a significant portion of our required quarterly payments, we will not be required to make another payment on the 2012 Term Loan until the fiscal year ending March 31, 2022.

Maturities:

(In thousands)

Year Ending March 31,

Amount

2019 (remaining nine months ending March 31, 2019)	\$	—
2020		—
2021		—
2022		475,000
2023		—
Thereafter		1,438,000
	\$	<u>1,913,000</u>

Covenants:

Our debt facilities contain various financial covenants, including provisions that require us to maintain certain leverage, interest coverage and fixed charge ratios. The credit agreement governing the 2012 Term Loan and the 2012 ABL Revolver and the indentures governing the 2013 Senior Notes and 2016 Senior Notes contain provisions that accelerate our indebtedness on certain changes in control and restrict us from undertaking specified corporate actions, including asset dispositions, acquisitions, payment of dividends and other specified payments, repurchasing our equity securities in the public markets, incurrence of indebtedness, creation of liens, making loans and investments and transactions with affiliates. Specifically, we must:

- Have a leverage ratio of less than 6.75 to 1.0 for the quarter ended September 30, 2018 (defined as, with certain adjustments, the ratio of our consolidated total net debt as of the last day of the fiscal quarter to our trailing twelve month consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and certain other items (“EBITDA”). Our leverage ratio requirement decreases to 6.50 to 1.00 on December 31, 2018 and remains at that level thereafter;
- Have an interest coverage ratio of greater than 2.25 to 1.0 for the quarter ended September 30, 2018 and thereafter (defined as, with certain adjustments, the ratio of our consolidated EBITDA to our trailing twelve month consolidated cash interest expense); and
- Have a fixed charge ratio of greater than 1.0 to 1.0 for the quarter ended September 30, 2018 (defined as, with certain adjustments, the ratio of our consolidated EBITDA minus capital expenditures to our trailing twelve month consolidated interest paid, taxes paid and other specified payments). Our fixed charge requirement remains level throughout the term of the credit agreement.

At September 30, 2018, we were in compliance with the applicable financial and restrictive covenants under the 2012 Term Loan and the 2012 ABL Revolver and the indentures governing the 2013 Senior Notes and the 2016 Senior Notes. Additionally, management anticipates that in the normal course of operations, we will be in compliance with the financial and restrictive covenants during the remainder of 2019.

As we deem appropriate, we may from time to time utilize derivative financial instruments to mitigate the impact of changing interest rates associated with our long-term debt obligations or other derivative financial instruments. While we have utilized derivative financial instruments in the past, we did not have any significant derivative financial instruments outstanding at either September 30, 2018 or March 31, 2018 or during any of the periods presented. We have not entered into derivative financial instruments for trading purposes; all of our derivatives have been over-the-counter instruments with liquid markets.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or financing activities with special-purpose entities.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on our knowledge of current events and actions that we may undertake in the future, actual results could differ from those estimates. A summary of our critical accounting policies is presented in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. There were no material changes to our critical accounting policies during the six months ended September 30, 2018, except as described in Note 2 of this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

A description of recently issued and recently adopted accounting pronouncements is included in the notes to the unaudited Condensed Consolidated Financial Statements in Part I, Item I, Note 1 of this Quarterly Report on Form 10-Q.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), including, without limitation, information within Management’s Discussion and Analysis of Financial Condition and Results of Operations. The following cautionary statements are being made pursuant to the provisions of the PSLRA and with the intention of obtaining the benefits of the “safe harbor” provisions of the PSLRA.

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required under federal securities laws and the rules and regulations of the SEC, we do not intend to update any forward-looking statements to reflect events or circumstances arising after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements included in this Quarterly Report on Form 10-Q or that may be made elsewhere from time to time by, or on behalf of, us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

These forward-looking statements generally can be identified by the use of words or phrases such as “believe,” “anticipate,” “expect,” “estimate,” “project,” “intend,” “strategy,” “goal,” “future,” “seek,” “may,” “should,” “would,” “will,” or other similar words and phrases. Forward-looking statements are based on current expectations and assumptions that are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, including, without limitation:

- The high level of competition in our industry and markets;
- Our inability to increase organic growth via new product introductions, line extensions, increased spending on advertising and promotional support, and other new sales and marketing strategies;
- Our dependence on a limited number of customers for a large portion of our sales;
- Our inability to successfully identify, negotiate, complete and integrate suitable acquisition candidates and to obtain necessary financing;
- Our inability to invest successfully in research and development to develop new products;
- Changes in inventory management practices by retailers;
- Our inability to grow our international sales;
- General economic conditions affecting sales of our products and their respective markets;
- Economic factors, such as increases in interest rates and currency exchange rate fluctuations;
- Business, regulatory and other conditions affecting retailers;
- Changing consumer trends, additional store brand or branded competition or other pricing pressures which may cause us to lower our prices;
- Our dependence on third-party manufacturers to produce many of the products we sell;
- Our dependence on a third party logistics provider to distribute our products to customers;
- Price increases for raw materials, labor, energy and transportation costs, and for other input costs;
- Disruptions in our distribution center or manufacturing facility;
- Acquisitions, dispositions or other strategic transactions diverting managerial resources, the incurrence of additional liabilities or problems associated with integration of those businesses and facilities;
- Actions of government agencies in connection with our products, advertising or regulatory matters governing our industry;
- Product liability claims, product recalls and related negative publicity;
- Our inability to protect our intellectual property rights;
- Our dependence on third parties for intellectual property relating to some of the products we sell;
- Our inability to protect our internal information technology systems;
- Our dependence on third party information technology service providers and their ability to protect against security threats and disruptions;
- Our assets being comprised virtually entirely of goodwill and intangibles and possible changes in their value based on adverse operating results;
- Our dependence on key personnel;
- Shortages of supply of sourced goods or interruptions in the distribution or manufacturing of our products;
- The costs associated with any claims in litigation or arbitration and any adverse judgments rendered in such litigation or arbitration;
- Our level of indebtedness and possible inability to service our debt;
- Our inability to obtain additional financing;
- The restrictions imposed by our financing agreements on our operations; and
- Changes in federal and state tax laws, including the recently enacted Tax Cuts and Jobs Act.

For more information, see Part I, Item 1A., “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to changes in interest rates because our 2012 Term Loan and 2012 ABL Revolver are variable rate debt instruments. Interest rate changes generally do not significantly affect the market value of the 2012 Term Loan and the 2012 ABL Revolver but do affect the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. At September 30, 2018, we had variable rate debt of approximately \$913.0 million.

Holding other variables constant, including levels of indebtedness, a 1.0% increase in interest rates on our variable rate debt would have an adverse impact on pre-tax earnings and cash flows for the three and six months ended September 30, 2018 of approximately \$2.4 million and \$5.0 million, respectively.

Foreign Currency Exchange Rate Risk

During the three and six months ended September 30, 2018, approximately 12.1% and 10.5%, respectively, of our revenues were denominated in currencies other than the U.S. Dollar. During the three and six months ended September 30, 2017, approximately 10.7% and 10.2%, respectively, of our revenues were denominated in currencies other than the U.S. Dollar. As such, we are exposed to transactions that are sensitive to foreign currency exchange rates, including insignificant foreign currency forward exchange agreements. These transactions are primarily with respect to the Canadian and Australian Dollar.

We performed a sensitivity analysis with respect to exchange rates for the three and six months ended September 30, 2018 and 2017. Holding all other variables constant, and assuming a hypothetical 10.0% adverse change in foreign currency exchange rates, this analysis resulted in a less than 5.0% impact on pre-tax income of approximately \$0.9 million for the three months ended September 30, 2018 and approximately \$1.9 million for the six months ended September 30, 2018. It represented a less than 5% impact on pre-tax income of approximately \$1.2 million for the three months ended September 30, 2017 and approximately \$2.1 million for the six months ended September 30, 2017.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), as of September 30, 2018. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2018, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended September 30, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

You should carefully consider the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended March 31, 2018, which could materially affect our business, financial condition or future results of operations. The risk factors described in our Annual Report on Form 10-K have not materially changed in the period covered by this Quarterly Report on Form 10-Q, and such risks are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and results of operations.

Our quarterly operating results and revenues may fluctuate as a result of any of these or other factors. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year, and revenues for any particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the market price of our outstanding securities could be adversely impacted.

ITEM 5. OTHER INFORMATION

On October 29, 2018, the Company's Board of Directors approved an amendment to the Company's Amended and Restated Bylaws, which Amended and Restated Bylaws were originally approved effective as of August 17, 2018, to add a forum selection bylaw, re-insert the process for stockholders to act by written consent and other clarifying changes.

A copy of the Company's Amended and Restated Bylaws, as amended, is filed as Exhibit 3.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

In October 2017, the Company adopted the Prestige Consumer Healthcare Inc. Executive Severance Plan (formerly known as the Prestige Brands Holdings, Inc. Executive Severance Plan (as amended from time to time since then, the "Plan")). On October 29, 2018, the Company approved certain amendments to the Plan in order to continue the evolution of the Company's compensation programs started last year by eliminating employment agreements; and ensure the retention of critical personnel in a change-in-control event.

The Plan is open to participants designated by the Compensation and Talent Management Committee of the Company's Board of Directors as either a Tier 1 participant (which presently includes only the Company's Chief Executive Officer) or as a Tier 2 participant (which presently includes, among others, each of the Company's currently employed "named executive officers") and provides generally for the payment of severance benefits in the event of termination of employment by the Company without "cause" or resignation by the participant for "good reason," each as defined in the Plan (each, a "Qualified Termination").

Prior to the amendments, the Plan provided the following benefits, regardless whether the Qualified Termination occurred before or after a change in control of the Company, in any event subject to a release of claims and compliance with certain noncompetition and other restrictive covenants: (i) cash severance in a multiple (1.5 in the case of Tier 1 participants and 1.0 for Tier 2 participants) of base salary plus target annual bonus, in each case payable in installments over the 12 months following termination, (ii) certain continued medical benefits for 12 months, and (iii) a pro-rata annual incentive based on actual performance payable at the time any annual bonus is paid to continuing employees. As amended, the severance benefits provided in respect of a Qualified Termination occurring before a change in control of the Company have not changed, but the Plan now provides that, if the Qualified Termination occurs upon or within the 24-month period following a change in control, (i) the severance multiple is 2.5 for Tier 1 participants and 2.0 for Tier 2 participants and payment is made in a lump-sum rather than installments, (ii) the continued medical benefit period is extended to 18 months, (iii) the pro-rata annual incentive is paid upon termination based upon the greater of target or then-actual performance, and (iv) up to 18 months of outplacement assistance will be provided, all still subject to a release of claims and compliance with the noncompetition and other restrictive covenants. The definitions of cause and good reason were modified in certain respects to provide additional protection to participants, particularly following a change in control.

The Plan continues to provide that, in the event that payments made by the Company to a participant would be subject to the "golden parachute" excise tax under the Internal Revenue Code, such payments will be reduced so that no excise tax is payable if the net after-tax amount of the reduced payments provides a greater benefit to the participant. The Plan does not provide for any excise tax "gross-up" payment.

Certain other immaterial and conforming changes were made to the Plan.

The foregoing description of the Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan as amended, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

ITEM 6. EXHIBITS

See Exhibit Index immediately following the signature page.

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 thereunto duly authorized.

PRESTIGE CONSUMER HEALTHCARE INC.

Date: November 1, 2018

By:

/s/ Christine Sacco

Christine Sacco

Chief Financial Officer

(Principal Financial Officer and Duly
Authorized Officer)

Exhibit Index

- 3.1 [Amendment to Amended and Restated Certificate of Incorporation of Prestige Brands Holdings, Inc., effective August 17, 2018 \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on August 2, 2018\).](#) *

- 3.2 [Amended and Restated Bylaws of Prestige Consumer Healthcare Inc., as amended, effective October 29, 2018.](#)

- 10.1 [Amended and Restated Executive Severance Plan adopted as of October 29, 2018.](#)

- 10.2 [Asset Purchase Agreement, dated July 2, 2018, by and among KIK International LLC, Prestige Brands International, Inc., The Spic and Span Company, Medtech Holdings, Inc. \(as guarantor only\) and Prestige Brands Holdings, Inc. \(filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 2, 2018\).](#) *

- 31.1 [Certification of Principal Executive Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934.](#)

- 31.2 [Certification of Principal Financial Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934.](#)

- 32.1 [Certification of Principal Executive Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(b\) and Section 1350 of Chapter 63 of Title 18 of the United States Code.](#)

- 32.2 [Certification of Principal Financial Officer of Prestige Consumer Healthcare Inc. pursuant to Rule 13a-14\(b\) and Section 1350 of Chapter 63 of Title 18 of the United States Code.](#)

* Incorporated herein by reference.

101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

** XBRL information is furnished and not filed for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and is not subject to liability under those sections, is not part of any registration statement, prospectus or other document to which it relates and is not incorporated or deemed to be incorporated by reference into any registration statement, prospectus or other document.

AMENDED AND RESTATED BYLAWS

OF

PRESTIGE CONSUMER HEALTHCARE INC.

A DELAWARE CORPORATION

(Adopted as of June 24, 2004; Amended and Restated as of October 29, 2018)

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office of Prestige Consumer Healthcare Inc. (the "CORPORATION") in the State of Delaware shall be located at 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, 19904. The name of the Corporation's registered agent at such address shall be National Registered Agents, Inc. The registered office and/or registered agent of the Corporation may be changed from time to time by action of the Board of Directors of the Corporation (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 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.

SECTION 2. ANNUAL MEETING. An annual meeting of stockholders shall be held each year at such date, time and place as determined by the Board of Directors. At such annual meeting, the stockholders shall elect, by a plurality vote, a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the stockholders may only be called in the manner provided in the Corporation's certificate of incorporation as then in effect (the "CERTIFICATE OF INCORPORATION").

SECTION 4. NOTICE OF MEETINGS. Whenever stockholders are required or permitted to take action at a meeting, written notice of each annual and special meeting of stockholders stating the date, time and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote thereat not less than 10 nor more than 60 days before the date of the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Notice shall be given personally or by mail and, if by mail, shall be sent in a postage prepaid envelope, addressed to the stockholder at his, her or its address as the same appears on the records of the Corporation. Notice by mail shall be deemed given at the time when the same shall be deposited in the United States mail, postage prepaid. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the "householding" rules set forth in Rule 14a-3(e) under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and Section 233 of the Delaware General Corporation Law. Any previously scheduled meeting of stockholders may be postponed by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders. Notice of any meeting shall not

be required to be given to any person who attends such meeting, except when such person attends the meeting in person or by proxy 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, or who, either before or after the meeting, submits a signed written waiver of notice, in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of stockholders need be specified in any written waiver of notice.

SECTION 5. LIST OF STOCKHOLDERS. The officer having charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of 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, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, 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; ADJOURNMENTS. The holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented by proxy at any meeting of stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally called. Unless otherwise provided by statute, no notice of an adjourned meeting need be given.

SECTION 7. ORGANIZATION. At each meeting of stockholders, the Chairman of the Board, if one shall have been elected, or, in his absence or if one shall not have been elected, the chief executive officer shall act as chairman of the meeting. The secretary or, in his absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with any rules, regulations and procedures for the conduct of any meeting of stockholders as may be adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such, rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 8. ORDER OF BUSINESS. The order of business at all meetings of the stockholders shall be as determined by the chairman of the meeting.

SECTION 9. VOTING. Except as otherwise provided by the Certificate of Incorporation, the General Corporation Law of the State of Delaware or the certificate of designation relating to any outstanding class or series of preferred stock, each stockholder of the Corporation shall be entitled at each meeting of stockholders to one vote

for each share of capital stock of the Corporation standing in his name on the record of stockholders of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 13 of Article II of these Bylaws as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or

(b) if no such record date shall have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given, or, if notice is waived, at the close of business on the date next preceding the day on which the meeting is held.

Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act for him by a proxy which is in writing or transmitted as permitted by law, including, without limitation, electronically, via telegram, internet, interactive voice response system, or other means of electronic transmission executed or authorized by such stockholder or his attorney-in-fact, but no proxy shall be voted after three years from its date, unless the proxy provides for a longer period. Any such proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for so delivering such proxies. Any proxy transmitted electronically shall set forth information from which it can be determined by the secretary of the meeting that such electronic transmission was authorized by the stockholder. When a quorum is present at any meeting, the vote of the holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereon, present and voting, in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted and the number of votes to which each share is entitled.

SECTION 10. INSPECTORS. The Board of Directors shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If any of the inspectors so appointed shall fail to appear or act, the chairman of the meeting shall, or if inspectors shall not have been appointed, the chairman of the meeting may, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

SECTION 11. ADVANCE NOTICE PROVISIONS FOR ELECTION OF DIRECTORS.

(a) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at an annual meeting of stockholders (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting, who is entitled to vote generally in the election of directors at the annual meeting, and who shall have complied with the notice procedures set forth below in Section 11(b). Nominations of persons for election to the Board of Directors of the Corporation may be made at a special

meeting of stockholders (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting, who is entitled to vote generally in the election of directors at the special meeting, and who shall have complied with the notice procedures set forth below in Section 11(b).

(b) In order for a stockholder to nominate a person for election to the Board of Directors of the Corporation at a meeting of stockholders, such stockholder shall have delivered timely notice of such stockholder's intent to make such nomination in writing to the secretary of the Corporation. To be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the date of the first anniversary of the previous year's annual meeting; PROVIDED, HOWEVER, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting or later than the close of business on the later of the 90th day prior to such annual meeting and the 10th day following the day on which public disclosure of the date of such annual meeting was first made by the Corporation and (ii) in the case of a special meeting at which directors are to be elected, not later than the close of business on the 10th day following the day on which the public disclosure of the date of such special meeting was first made by the Corporation; PROVIDED FURTHER, that notwithstanding anything in the forgoing clause (i) to the contrary, in the event that the number of directors to be elected to the Board of Directors at the annual meeting of stockholders is increased effective after the time period for which nominations would otherwise be due under such clause (i) and there is no public disclosure by the Corporation naming all of the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public disclosure is first made by the Corporation. In no event shall the adjournment or postponement of an annual meeting or a special meeting of stockholders (or any public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

For purposes of these Bylaws, "Associated Person" shall mean, with respect to any person, (i) any beneficial owner of any stock of the Corporation owned by such person, (ii) such person's and any such beneficial owner's respective affiliates and associates and (iii) any person acting, directly or indirectly, in concert with such person or any such beneficial owner.

To be in proper form, a stockholder's notice shall set forth:

(i) as to each person whom the stockholder proposes to nominate for election or reelection as a director at such meeting (A) all information relating to such person that would be required to be disclosed, whether in a proxy statement, other filings required to be made in connection with solicitations of proxies for election of directors in a contested election, or otherwise, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (B) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected and a statement whether such person, if elected, intends to tender, promptly following such person's election or reelection, an irrevocable resignation effective upon such person's failure to receive the required vote for reelection at the next meeting at which such person would face reelection and upon acceptance of such resignation by the Board of Directors, (C) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such stockholder or any Associated Persons of such stockholder, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or any other person or persons (including their names) acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the stockholder making the nomination or any Associated Person of such stockholder were the

“registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant, (D) any information that such person would be required to disclose pursuant to clause (ii) of this sentence if such person were a stockholder purporting to make a nomination, and (E) an undertaking to notify the Corporation in writing of any change in the information called for by the foregoing clauses (A), (B), (C) and (D) as of the record date for such meeting, by notice received by the Secretary at the principal executive offices of the Corporation not later than the 10th day following such record date;

(ii) as to the stockholder giving the notice and any Associated Person of such stockholder (A) the name and record address of such person, as they appear on the Corporation’s books, (B) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such person, (C) a description of any option, warrant, convertible security, stock appreciation right, hedge, swap, derivative interest, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares of the Corporation or otherwise (a “Derivative Instrument”), directly or indirectly owned beneficially by such person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (D) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such person has a right to vote any shares of any security of the Corporation, (E) any short interest in any security of the Corporation held by such person (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security) or any borrowing or lending by such person of any security of the Corporation, (F) any rights to dividends on the shares of the Corporation owned beneficially by such person that are separated or separable from the underlying shares of the Corporation, (G) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (H) any performance-related fees (other than an asset-based fee) to which such person is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, and (I) a description of any material interest of such person in such nomination, including any anticipated benefit therefrom to such person, all such information to be provided as of the date of such notice, including, without limitation, any such interests held by members of such person’s immediate family sharing the same household (which information set forth in this clause (ii) shall be supplemented by such stockholder not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date);

(iii) with respect to each nominee for election or reelection to the Board of Directors, a written consent of such nominee to being named as a nominee and to serve as a director if elected, together with the completed and signed questionnaire, representation and agreement required by Section 11(c);

(iv) any other information relating to such nominee, stockholder and any Associated Person of such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(v) a representation (A) that the stockholder is a holder of record of stock of the Corporation entitled to vote at such annual meeting and intends to appear in person or by proxy at the annual meeting to propose such business or nomination and (B) whether the stockholder or any Associated Person of such stockholder intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination; and

(vi) an undertaking by the stockholder to notify the Corporation in writing of any change in the information called for by clauses (i), (ii), (iii), and (iv) as of the record date for such meeting, by notice

received by the Secretary at the principal executive offices of the Corporation not later than the tenth (10th) day following such record date.

The Corporation may also, as a condition of any such nomination being deemed properly brought before a meeting, require any proposed nominee to furnish (i) any information required pursuant to any undertaking delivered pursuant to this Section 11(b) and (ii) such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation (consistent with the rules of the Securities and Exchange Commission and with any director independence standards set forth in the Corporation's Corporate Governance Principles) or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

For purposes of this section, "PUBLIC DISCLOSURE" shall mean disclosure in a Current Report on Form 8-K (or any successor form) or in a press release reported by Dow Jones News Service, Associated Press or a comparable national news service.

(c) To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 11(b)) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request), that such person (i) is not and will not become a party to (x) any agreement, arrangement, or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question or issues or questions generally (a "Voting Commitment") that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed therein; (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable law and with the Corporation's Corporate Governance Guidelines and Code of Conduct applicable to members of the Board of Directors, as well as all other applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation; and (iv) intends to serve as a director of the Corporation for the full term for which such person is standing for election.

(d) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this section. If the nominating stockholder does not appear or send a qualified representative to present the nomination proposal at the relevant meeting, the Corporation need not present such proposal for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this section (including by reason of such stockholder or any Associated Person of such stockholder soliciting proxies in support of such stockholder's nominee without such stockholder having made the representation required by clause (b)(v)(B) above), and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. A stockholder seeking to nominate a person to serve as a director must also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this section. Nothing in this Bylaw shall be deemed to affect any rights of the holders of any series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation, or these Bylaws.

SECTION 12. ADVANCE NOTICE PROVISIONS FOR OTHER BUSINESS TO BE CONDUCTED AT AN ANNUAL MEETING. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of

Directors (or any duly authorized committee thereof), (ii) brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before the meeting by a stockholder who (a) was a stockholder of record at the time of giving of notice provided for in this Bylaw and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (b) complies with the notice procedures set forth in this Section 12. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and such business must otherwise be appropriate for stockholder action under the Delaware General Corporation Law. To be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the date of the first anniversary of the previous year's annual meeting; PROVIDED, HOWEVER, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting or later than the close of business on the later of the 90th day prior to such annual meeting and the 10th day following the day on which public disclosure of the date of such annual meeting was first made by the Corporation. In no event shall the adjournment or postponement of an annual meeting (or any public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

To be in proper form, a stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting:

(a) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and any Associated Person of such stockholder, including any anticipated benefit therefrom to such persons;

(b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and any Associated Person of such stockholder;

(c) the class and number of shares of the Corporation which are, directly or indirectly, beneficially owned by the stockholder or any Associated Person of such stockholder;

(d) a description of any Derivative Instrument directly or indirectly owned beneficially by such stockholder or any Associated Person of such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation;

(e) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or any Associated Person of such stockholder has a right to vote any shares of any security of the Corporation;

(f) a description of any short interest in any security of the Corporation held by such stockholder or any Associated Person of such stockholder (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security) or any borrowing or lending by such stockholder or any Associated Person of such stockholder of any security of the Corporation;

(g) a description of any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or any Associated Person of such stockholder that are separated or separable from the underlying shares of the Corporation;

(h) a description of any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Associated Person of such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

(i) a description of any performance-related fees (other than an asset-based fee) to which such stockholder or any Associated Person of such stockholder is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any; and

(j) any other information relating to such stockholder and any Associated Persons of such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies with respect to the proposed business to be brought by such stockholder before the annual meeting pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

all such information to be provided as of the date of such notice, including, without limitation, any such interests held by members of such stockholder's and any of such stockholder's Associated Persons' immediate family sharing the same household (which information set forth in this sentence shall be supplemented by such stockholder not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date).

Such notice also shall include a representation (A) that such stockholder is a holder of record of capital stock of the Corporation entitled to vote at such meeting, (B) that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, (C) that such stockholder will notify the Corporation in writing of the number of shares of capital stock of the Corporation owned of record and beneficially by such stockholder or any Associated Person of such stockholder as of the record date for the meeting within ten (10) days following the record date, and (D) as to whether such stockholder or any Associated Person of such stockholder intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to adopt or approve the proposal and/or (2) otherwise to solicit proxies from stockholders in support of such proposal.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this section. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this section (including by reason of the stockholder or any Associated Person of such stockholder soliciting proxies in support of such stockholder's proposal without such stockholder having made the representation required by clause (D) of the preceding paragraph); if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. A stockholder proposing to bring business before an annual meeting must also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder, with respect to the matters set forth in this section. For purposes of this section, "PUBLIC DISCLOSURE" shall mean disclosure in a Current Report on Form 8-K (or any successor form) or in a press release reported by Dow Jones News Service, Associated Press or a comparable national news service. Nothing in this section shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 13. ACTION BY WRITTEN CONSENT. Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action by any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws, the meeting and vote of stockholders may be dispensed with, and the action taken without such meeting and vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of the 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 of stock of the Corporation entitled to vote thereon were present and voted. The consent 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 the 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; PROVIDED, HOWEVER, that no consent delivered by certified or registered mail shall be deemed delivered until such consent is actually received at the Corporation's registered office. All consents properly delivered in accordance with this Section 13 shall be deemed to be recorded when so delivered. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the Corporation as required by this Section 13, 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 and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by the holders of a sufficient number of shares to take such corporate action were delivered to the Corporation as provided above in this Section 13. Any action taken pursuant to such written consent of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

SECTION 14. FIXING A RECORD DATE. 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, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. 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 day next 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.

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 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the secretary, request the Board of Directors to fix a record date. Such notice shall specify the action proposed to be consented to by stockholders. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days after the date on which such a request is received, 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 applicable law, 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. Such delivery to the Corporation shall be made to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, to the attention of the secretary of the Corporation. Such delivery 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 applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

In the event of delivery to the Corporation of a written consent or written consents purporting to authorize or take corporate action, and/or related revocation or revocations, (each such written consent and related revocation, individually and collectively, a "CONSENT"), the secretary of the Corporation shall provide for the safekeeping of such Consent and shall as soon as practicable thereafter conduct such reasonable investigation as the

secretary deems necessary or appropriate for the purpose of ascertaining the validity of such Consent and all matters incident thereto, including, without limitation, whether holders of shares having the requisite voting power to authorize or take the action specified in the Consent have given consent. If after such investigation the secretary shall determine that the Consent is sufficient and valid, that fact shall be certified on the records of the Corporation kept for the purpose of recording the proceedings of meetings of the stockholders, and the Consent shall be filed in such records, at which time the Consent shall become effective as stockholder action.

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. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 2. ANNUAL MEETINGS. The annual meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of stockholders.

SECTION 3. REGULAR MEETINGS AND SPECIAL MEETINGS. Regular meetings, other than the annual meeting, of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the Board of Directors or by the chairman of the board. Special meetings of the Board of Directors may be called by the chairman of the board (if one shall have been elected), the lead director (if one shall have been elected), the president (if the president is a director) or upon the request of at least a majority of the directors then in office.

SECTION 4. NOTICE OF MEETINGS. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by law or these Bylaws. Notice of each special meeting of the Board of Directors, and of each regular and annual meeting of the Board of Directors for which notice shall be required, shall be given by the secretary as hereinafter provided in this Section 4, in which notice shall be stated the time and place of the meeting. Notice of any special meeting, and of any regular or annual meeting for which notice is required, shall be given to each director at least (a) twenty-four (24) hours before the meeting, or such shorter period as the person or persons calling such meeting may deem necessary or appropriate in the circumstances, if by telephone or by being personally delivered or sent by telex, telecopy, email or similar means or (b) five (5) days before the meeting if delivered by mail to the director's residence or usual place of business. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid, or when transmitted if sent by telex, telecopy, email or similar means. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in any notice or waiver of notice of such meeting. Any director may waive notice of any meeting by a writing signed by the director entitled to the notice and filed with the minutes or corporate records.

SECTION 5. WAIVER OF NOTICE AND PRESUMPTION OF ASSENT. 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. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

SECTION 6. QUORUM, REQUIRED VOTE AND ADJOURNMENT. The chairman of the board, if one shall have been elected, or in his absence or if one shall not have been elected, the lead director, if one shall have

been designated, or if a lead director shall not have been designated or in the absence of the lead director, the president (if the president is a director and is not also the chairman of the board) shall preside at such meetings, and, if the president is not present at such meeting, a majority of the directors present at such meeting shall elect one of their members to so preside. A majority of the total number of directors then in office shall constitute a quorum for the transaction of business. Unless by express provision of an applicable law, the Certificate of Incorporation or these Bylaws a different vote is required, 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 7. COMMITTEES. The Board of Directors (i) may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, including an executive committee, consisting of one or more of the directors of the Corporation, and (ii) shall during such period of time as any securities of the Corporation are listed on the New York Stock Exchange (the "NYSE"), by resolution passed by a majority of the entire Board of Directors, designate all committees required by the rules and regulations of the NYSE. 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. Except to the extent restricted by applicable law or the Certificate of Incorporation, each such committee, to the extent provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors. Each such committee shall serve at the pleasure of the Board of Directors as may be determined from time to time by resolution adopted by the Board of Directors or as required by the rules and regulations of the NYSE, if applicable. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors upon request.

SECTION 8. 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. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, 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 9. COMMUNICATIONS EQUIPMENT. Members of the Board of Directors or any committee thereof may participate in and act at any meeting of such board 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 and speak with each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

SECTION 10. 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 such board 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 or committee.

SECTION 11. COMPENSATION. The Board of Directors shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

SECTION 12. RELIANCE ON BOOKS AND RECORDS. A member of the Board of Directors or a member of any committee designated by the Board of Directors shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the

Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a chairman of the board (which shall be an optional office), a chief executive officer, a president, one or more vice-presidents, a secretary, a chief financial officer 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, except that neither the chief executive officer nor the president shall also hold the office of secretary. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible.

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 convenient. 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 at its discretion, 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.

SECTION 5. COMPENSATION. Compensation of all executive officers shall be approved 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; PROVIDED HOWEVER, that compensation of some or all executive officers may be determined by a committee established for that purpose if so authorized by the unanimous vote of the Board of Directors or as required by applicable law or regulation, including any exchange or market upon which the Corporation's securities are then listed for trading or quotation.

SECTION 6. CHAIRMAN OF THE BOARD. The chairman of the board, if one shall have been elected, shall preside at all meetings of the stockholders and of the Board of Directors and shall have such other powers and perform such other duties as may be prescribed to him or her by the Board of Directors or provided in these Bylaws.

SECTION 7. CHIEF EXECUTIVE OFFICER. The chief executive officer 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 (if one shall have been elected), the chief executive officer shall be in the general and active charge of the entire business and affairs of the Corporation, and shall be its chief policy making officer. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or provided in these Bylaws. The chief executive officer is authorized to 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. Whenever the president is unable to serve, by reason of sickness, absence or otherwise, the chief executive officer shall perform all the duties and responsibilities and exercise all the powers of the president.

SECTION 8. THE PRESIDENT. The president of the Corporation shall, subject to the powers of the Board of Directors, the chairman of the board (if one shall have been elected) and the chief executive officer, have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The president shall see that all orders and resolutions of the Board of Directors are carried into effect. The president is authorized to 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 president shall have such other powers and perform such other duties as may be prescribed by the chairman of the board (if one shall have been elected), the chief executive officer, the Board of Directors or as may be provided in these Bylaws.

SECTION 9. 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 or the chairman of the board (if one shall have been elected), shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the Board of Directors, the chairman of the board (if one shall have been elected), the chief executive officer, the president or these Bylaws may, from time to time, prescribe. The vice-presidents may also be designated as executive vice-presidents or senior vice-presidents, as the Board of Directors may from time to time prescribe.

SECTION 10. THE SECRETARY AND ASSISTANT SECRETARIES. The secretary shall attend all meetings of the Board of Directors (other than executive sessions 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 or shall ensure that his or her designee attends each such meeting to act in such capacity. Under the supervision of the chairman of the board or, if one has not been elected, the chief executive officer, the secretary shall give, or cause to be given, all notices required to be given by these Bylaws or by law; shall have such powers and perform such duties as the Board of Directors, the chairman of the board (if one shall have been elected), the chief executive officer, the president or these Bylaws 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, any of the assistant secretaries, 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 of the board (if one shall have been elected), the chief executive officer, the president, or secretary may, from time to time, prescribe.

SECTION 11. THE CHIEF FINANCIAL OFFICER. The chief financial officer shall have the custody of the corporate funds and securities; shall keep full and accurate all books and accounts of the Corporation as shall be necessary or desirable in accordance with applicable law or generally accepted accounting principles; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may be ordered by the chairman of the board or, if one has not been elected, the chief executive officer or 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 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 of the board (if one shall have been elected), the chief executive officer, the president or these Bylaws may, from time to time, prescribe.

SECTION 12. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

SECTION 13. 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 selected by it.

ARTICLE V

CERTIFICATES OF STOCK

SECTION 1. FORM. The shares of stock of the Corporation shall be represented by certificates, PROVIDED that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock of the Corporation shall be uncertificated shares of stock. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by a certificate and, upon request, every holder of uncertificated shares shall be entitled to have a certificate, signed by, or in the name of the Corporation by the chairman of the board (if one shall have been elected), the chief executive officer or the president and the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by such holder in the Corporation. If such a certificate is countersigned (i) by a transfer agent or an assistant transfer agent other than the Corporation or its employee or (ii) by a registrar, other than the Corporation or its employee, the signature of any such chairman of the board (if one shall have been elected), chief executive officer, president, secretary or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. Shares of stock of the Corporation shall only be transferred on the books of the Corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, and in the case of certificated shares upon surrender to the Corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the Corporation to cancel the old certificate or certificates and record the transaction on its books. The Board of Directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the Corporation. The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 2. LOST CERTIFICATES. The Corporation may issue or direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 3. REGISTERED STOCKHOLDERS. Prior to a request to record the transfer of any share or shares, together in the case of certificated shares with the surrender to the Corporation of the certificate or certificates for such share or shares of stock, 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. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

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, in accordance with applicable law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of applicable law and 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, NOTES, DRAFTS, ETC. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

SECTION 3. CONTRACTS. In addition to the powers otherwise granted to officers pursuant to ARTICLE IV hereof, 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. Subject to compliance with applicable law (including the Sarbanes-Oxley Act of 2002, as amended), 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 subsidiaries, including any officer or employee who is a director of the Corporation or its subsidiaries, 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 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 end on March 31 of each fiscal year and may thereafter be changed by resolution of the Board of Directors.

SECTION 6. CORPORATE SEAL. The Board of Directors may 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. Notwithstanding the foregoing, no seal shall be required by virtue of this Section.

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, the president or a vice-president, 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. The Board of Directors shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or of the stockholders of the Corporation.

SECTION 9. SECTION HEADINGS. Section headings in these Bylaws 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 Bylaws 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 Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

SECTION 11. FORUM FOR ADJUDICATION OF CERTAIN DISPUTES. Unless the Corporation consents in writing to the selection of an alternative forum (an "Alternative Forum Consent"), the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director, officer, stockholder, employee or agent of the Corporation arising out of or relating to any provision of the General Corporation Law of the State of Delaware or the Corporation's Certificate of Incorporation or Bylaws, or (iv) any action asserting a claim against the Corporation or any director, officer, stockholder, employee or agent of the Corporation governed by the internal affairs doctrine of the State of Delaware; PROVIDED, HOWEVER, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 11 of Article VI. The existence of any prior Alternative Forum Consent shall not act as a waiver of the Corporation's ongoing consent right as set forth above in this Section 11 of Article VI with respect to any current or future actions or claims.

ARTICLE VII

AMENDMENTS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, alter, amend, change, add to or repeal these Bylaws by the affirmative vote of a majority of the total number of directors then in office. Any alteration or repeal of these Bylaws by the stockholders of the Corporation shall be done solely in accordance with the terms of the Corporation's Certificate of Incorporation.

**AMENDED AND RESTATED
EXECUTIVE SEVERANCE PLAN**

1. Establishment; Purpose.

(a) Establishment. Prestige Consumer Healthcare Inc. (the “Company”) originally adopted this Prestige Consumer Healthcare Inc. Executive Severance Plan (formerly known as the Prestige Brands Holdings, Inc. Executive Severance Plan (the “Plan”)) effective as of November 1, 2017, and hereby amends and restates the Plan, as set forth in this document, effective as of October 29, 2018 (the “Effective Date”).

(b) Purpose. The Plan is designed to provide for financial protection to certain key executives of the Company in the event of unexpected job loss, in order to encourage the continued attention of Participants who are expected to make substantial contributions to the success of the Company and thereby provide for stability and continuity of management. The Company also recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among the Company's management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders, and accordingly the Company has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management to their assigned duties without distraction in the face of circumstances arising from the possibility of a Change in Control. This Plan supersedes all prior plans, policies and practices of the Company, including provisions of any employment agreement between any Participant and the Company, with respect to severance or separation pay for the Participant. The Plan is the only severance program for Participants.

2. Definitions. For purposes of the Plan, the following terms have the meanings set forth below:

(a) “Accrued Benefits” has the meaning given to that term in Section 4(a)(i) hereof.

(b) “Affiliate” means (i) any Subsidiary or Parent, or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.

(c) “Annual Base Salary” means, at any time, the Participant's then annual rate of base salary in effect as of the Date of Termination, including any amounts deferred under the qualified retirement plan or nonqualified deferred compensation plan, but excluding amounts (i) received under short-term or long-term incentive or other bonus plans, regardless of whether or not the amounts are deferred, or (ii) designated by the Company as payment toward reimbursement of expenses.

(d) “Annual Incentive” means an annual, cash-based incentive payment under the Company's short-term cash-based annual incentive plan.

- (e) “Board” means the Board of Directors of the Company, as constituted at any time.
- (f) “Bonus Amount” means, for a Tier 1 or Tier 2 Participant, an amount equal to his Target Annual Incentive.
- (g) “Cause” means a good faith determination by the Board that any of the following has occurred:
- (i) Any willful act by the Participant involving fraud and any breach by the Participant of applicable regulations of competent authorities in relation to trading or dealing with stocks, securities, investments, regulation of the Company’s business and the like;
 - (ii) Attendance at work under the influence of drugs or alcohol or otherwise being found in possession of any prohibited drug or substance, possession of which would amount to a criminal offense;
 - (iii) The Participant’s personal dishonesty or willful misconduct, in each case in connection with his employment by the Company;
 - (iv) Breach of fiduciary duty or breach of the duty of loyalty to the Company;
 - (v) Assault or other act of violence against any employee of the Company or other person during the course of his employment;
 - (vi) The Participant’s conviction of, or entry of a plea of guilty or *nolo contendere* or no contest with respect to: (a) any felony (including pleading guilty or *nolo contendere* to a felony or lesser charge with results from plea bargaining), whether or not such felony, crime or lesser offense is connected with the business of the Company, or (b) any crime connected with the business of the Company;
 - (vii) Intentional breach by the Participant of the Protective Covenants (as defined herein);
 - (viii) The Participant’s violation of the Company’s policy against harassment, its equal employment opportunity policy, or the Company’s code of business conduct, or a material violation of any other policy or procedure of the Company; or
 - (ix) The willful continued failure of the Participant to perform substantially the Participant’s duties with the Company (other than any such failure resulting from incapacity due to Disability) if not cured within 30 days after a written demand for substantial performance is delivered to the Participant by the Board (or, in the case of Tier 2 Participants before a Change in Control, the Company’s Chief Executive Officer) that specifically identifies the manner in which the Board or the Chief Executive Officer, as applicable, believes that the Participant has not substantially performed the Participant’s duties. For clarity, the failure of

the Company to meet its business plans shall not be, in and of itself, grounds for Termination for Cause.

No act, or failure to act, on a Participant's part shall be deemed "willful" for purposes of this definition of Cause unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Company, and in the event of a dispute concerning the application of this definition of Cause, no claim by the Company that Cause exists shall be given effect unless the Company establishes by clear and convincing evidence that Cause exists.

(h) "Change in Control" means the occurrence of one of the following events:

- (i) if any "person" or "group" as those terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successors thereto, other than an Exempt Person, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act or any successor thereto), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities; or
- (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new directors (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's stockholders was approved by at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election was previously so approved, cease for any reason to constitute a majority thereof; or
- (iii) consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation (A) which would result in all or a portion of the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (B) where the individuals who comprise the Board immediately prior thereto constitute immediately thereafter at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a Subsidiary, the ultimate Parent thereof; or
- (iv) consummation of a plan of complete liquidation of the Company or a sale or disposition by the Company of all or substantially all the Company's assets, other than a sale to an Exempt Person.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately

following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(i) “Code” means the Internal Revenue Code of 1986, as amended.

(j) “Committee” means the Compensation and Talent Management Committee of the Board or any other committee designated by the Board to administer this Plan.

(k) “Company” means Prestige Consumer Healthcare Inc. and, except for purposes of the definition of Change in Control, its Affiliates, and any successor to their respective business or assets, by operation of law or otherwise.

(l) “Competitive Position” means any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between the Participant and any person or Entity engaged in the business of (i) dental devices for interdental cleaning, including floss picks, and for treatment or management of bruxism, (ii) OTC eye care products, (iii) women’s health products, including vaginal antifungals, douches, wipes and washes, (iv) analgesics, including powdered and liquid products, or (v) any other business acquired by the Company after the Effective Date which represents fifteen percent (15%) or more of the consolidated revenues or EBITDA of the Company for the trailing twelve (12) months ending on the last day of the last completed calendar month immediately preceding the Participant’s Date of Termination, in each case whereby the Participant is required to or performs services on behalf of or for the benefit of such person or Entity which are substantially similar to the services in which the Participant participated or that he directed or oversaw while employed by the Company.

(m) “Confidential Information” means any and all data and information relating to the PBH Entities, their activities, business, or clients that (i) is disclosed to the Participant or of which the Participant becomes aware as a consequence of his employment with the PBH Entities; and (ii) is not generally known outside of the PBH Entities. “Confidential Information” shall include, but is not limited to the following types of information regarding, related to, or concerning the PBH Entities: trade secrets (as defined by applicable law); financial plans and data; management planning information; business plans; operational methods; market studies; marketing plans or strategies; pricing information; product development techniques or plans; customer lists; customer files, data and financial information; details of customer contracts; current and anticipated customer requirements; identifying and other information pertaining to business referral sources; past, current and planned research and development; computer aided systems, software, strategies and programs; business acquisition plans; management organization and related information (including, without limitation, data and other information concerning the compensation and benefits paid to officers, directors, employees and management); personnel and compensation policies; new personnel acquisition plans; and other similar information. “Confidential Information” also includes combinations of information or materials which individually may be generally known outside of the PBH Entities, but for which the nature, method, or procedure for combining such information or materials is not generally known outside of the PBH Entities. In addition to data and information relating to the PBH Entities, “Confidential Information” also includes any and all data and information relating to or concerning a third party that otherwise meets the definition set forth above, that was provided or made available to the PBH Entities by such third party, and that the PBH Entities has a duty or

obligation to keep confidential. This definition shall not limit any definition of “confidential information” or any equivalent term under state or federal law. “Confidential Information” shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the PBH Entities.

(n) “Date of Termination” means (i) if the Participant's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Participant shall not have returned to the full-time performance of the Participant's duties during such thirty (30) day period), and (ii) if the Participant's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Participant for Good Reason, shall not be less than thirty (30) days nor more than sixty (60) days, respectively, from the date such Notice of Termination is given).

(o) “Disability” means, as reasonably determined by the Board, that the Participant has become unable to perform the essential functions of his regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness which has lasted (or can reasonably be expected to last) for a period of one hundred and twenty (120) substantially consecutive days.

(p) “Effective Date” has the meaning given to that term in Section 1(a) hereof.

(q) “Employee” means a full-time salaried employee of the Company.

(r) “Entity” or “Entities” means any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(s) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(u) “Exempt Person” means any employee benefit plan of the Company or a trustee or other administrator or fiduciary holding securities under an employee benefit plan of the Company.

(v) “Good Reason” means:

- (i) Other than his removal for Cause, a material diminution in the Participant’s authority, duties or responsibilities; but excluding, for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;
- (ii) A material reduction by the Company in the Participant’s Annual Base Salary as in effect from time to time;
- (iii) A material reduction by the Company in the Participant’s Target Annual Incentive unless, before a Change in Control, such reduction is a part of

an across-the-board decrease in target incentive bonuses affecting all other executive officers;

- (iv) After a Change in Control, a material reduction in the Participant's long-term incentive opportunity;
- (v) The Company's requiring the Participant, without his consent, to be based at any office or location more than fifty (50) miles from the Company's current headquarters in Tarrytown, New York; provided, however, that Good Reason shall not include any relocation that results in the Participant's principal office being closer to the Participant's then-principal residence;
- (vi) A material breach by the Company, any Subsidiary or any Affiliate of any material written agreement between the Participant and the Company or such Subsidiary or Affiliate; or
- (vii) The Company's breach of Section 13(a) hereof.

Good Reason shall not include the Participant's death or Disability. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder, provided that the Participant must deliver written notice to the Board setting forth with specificity any circumstance he believes in good faith constitutes Good Reason within ninety (90) days after initial occurrence of such circumstance or be foreclosed from raising such circumstance thereafter. The Company shall have an opportunity to cure any claimed event of Good Reason (if susceptible of cure) within thirty (30) days of notice from the Participant before the Participant may terminate for Good Reason. For purposes of any determination regarding the existence of Good Reason following a Change in Control, any claim by the Participant that Good Reason exists shall be presumed to be correct unless the Company establishes by clear and convincing evidence that Good Reason does not exist.

(w) "Intellectual Property Rights" means all intellectual property rights worldwide arising under statutory or common law or by contract and whether or not perfected, pending, now existing or hereafter filed, issued, or acquired, including all (a) patent rights; (b) rights associated with works of authorship including copyrights and mask work rights; (c) rights relating to the protection of trade secrets and confidential information; (d) trademarks, service marks, trade dress, and trade names; and (e) any right analogous to those set forth herein and any other proprietary rights relating to intangible property.

(x) "Invention" means any discovery, process, formula, method, compound, composition of matter, technique, development, improvement, design, schematic, device, concept, system, technical information, or know-how, whether patentable or not, and any and all patent rights therein, whether now or hereafter perfected and reduced to practice.

(y) "Letter Agreement" means the letter from the Company to a selected executive notifying such executive of his selection for participation in this Plan.

(z) “Non-Exempt Deferred Compensation” means non-exempt “deferred compensation” for purposes of Section 409A of the Code.

(aa) “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Plan relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant’s employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 calendar days after the giving of such notice). Any purported termination of the Participant’s employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 16 hereof. Any Notice of Termination for Cause following a Change in Control must include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Participant and an opportunity for the Participant, together with the Participant’s counsel, to be heard before the Board) finding that the Participant was guilty of conduct set forth in the definition of Cause (and otherwise subject to the terms and conditions of such definition) and specifying the particulars thereof in detail.

(bb) “Other Benefits” has the meaning given to that term in Section 4(a)(vi) hereof.

(cc) “Parent” means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company.

(dd) “Participant” means any individual who (i) is an Employee at the time he is designated by the Board or the Committee as a Tier 1 Participant or Tier 2 Participant in this Plan, and (ii) signs and delivers to the Company a written acknowledgement that he is entitled to the benefits, and subject to the obligations, of a Participant under this Plan in the form attached hereto as Exhibit B.

(ee) “PBH Entities” means the Company or any of its Affiliates.

(ff) “Person” means any individual or any corporation, partnership, joint venture, limited liability company, association or other entity or enterprise.

(gg) “Plan” has the meaning given to that term in Section 1(a) hereof.

(hh) “Protective Covenants” means the protective covenants contained in Section 7 hereof.

(ii) “Protected Work” means any and all ideas, Inventions, Works, hardware systems, logos, trade dress, trademarks, service marks, brand names, and trade names (i) conceived, developed or produced by the Participant, in whole or in part, alone or by others working with the Participant or under his direction, during the period of his employment, (ii) conceived, produced or used or intended for use by or on behalf of the Company or its customers or (iii) conceived, developed or produced by the Participant after the Participant leaves the employ of the Company that relates to or is based on Confidential Information to which the Participant had access by virtue of his employment with the Company.

(jj) “Qualified Termination” means any termination of a Participant’s employment: (i) by the Company other than for Cause, Disability or death; or (ii) by the Participant for Good Reason, in each case during the Term of the Plan.

(kk) “Release” has the meaning given to that term in Section 5 hereof.

(ll) “Restricted Period” means during employment plus eighteen (18) months following termination of a Tier 1 Participant’s employment hereunder or twelve (12) months following termination of a Tier 2 Participant’s employment hereunder; provided, however, that the Restricted Period shall be extended for a period of time equal to any period(s) of time within the eighteen (18) month or twelve (12) month period, as applicable, following termination of the Participant’s employment hereunder that the Participant is determined by a court of competent jurisdiction to have engaged in any conduct that violates Section 7 hereof or any sections or subsections thereof, the purpose of this provision being to secure for the benefit of the Company the entire Restricted Period being bargained for by the Company for the restrictions upon the Participant’s activities.

(mm) “Severance Amount” means the Severance Multiple times the sum of the Participant’s Annual Base Salary and Bonus Amount.

(nn) “Severance Multiple” means, in respect of a Qualified Termination before or more than twenty-four (24) months following a Change in Control, 1.5 in the case of Tier 1 Participants and 1.0 in the case of Tier 2 Participants and, in respect of a Qualified Termination upon or after but not more than twenty-four (24) months following a Change in Control, 2.5 in the case of Tier 1 Participants and 2.0 in the case of Tier 2 Participants.

(oo) “Severance Payment Period” means in respect of a Qualified Termination before or more than twenty-four (24) months following a Change in Control, twelve (12) months and, in respect of a Qualified Termination upon or after but not more than twenty-four (24) months following a Change in Control, eighteen (18) months, in each case, commencing on the Date of Termination.

(pp) “Subsidiary” means any corporation, limited liability company, partnership or other entity, domestic or foreign, of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

(qq) “Target Annual Incentive” means a Participant’s then-current target Annual Incentive opportunity.

(rr) “Term” has the meaning given to that word in Section 17 hereof.

(ss) “Territory” means (i) each of the United States of America, and (ii) any country other than the United States of America in which the Company shall transact business and in which the Participant has provided services on behalf of the PBH Entities.

(tt) “Tier 1 Participant” means any Employee of the Company serving in the position of a senior officer designated by the Committee as a Tier 1 Participant.

(uu) “Tier 2 Participant” means any Employee of the Company serving in the position of a senior officer designated by the Committee as a Tier 2 Participant.

(vv) “Works” means any works of authorship, compilations, documents, data, notes, designs, photographs, artwork, drawings, visual or aural works, data bases, computer programs, software (source code and object code), systems, programs, software integration techniques, schematics, flow charts, studies, research, findings, manuals, pamphlets, instructional and training materials and other materials, including, without limitation, any modifications or improvements thereto or derivatives therefrom, and whether or not subject to copyright or trade secret protection.

(ww) “Work Product” means all tangible work product, property, data, documentation, “know-how,” concepts or plans, inventions, improvements, techniques and processes relating to the PBH Entities that were conceived, discovered, created, written, revised or developed by the Participant during the term of his employment with the Company.

3. Participation.

(a) Designation of Participants. Eligibility to participate in the Plan shall be limited to those key Employees of the Company who (i) are designated as Tier 1 or Tier 2 Participants by the Committee, in its sole discretion, and (ii) following such designation, deliver to the Company a properly executed copy of the Letter Agreement confirming the Employee’s eligibility for this Plan and agreement to the terms of the Plan and the Letter Agreement within thirty (30) days after receipt thereof. The Committee shall limit the class of persons designated as Participants in the Plan to a “select group of management or highly compensated employees,” within the meaning of Sections 201, 301 and 401 of ERISA. In lieu of expressly designating Tier 2 Participants for Plan participation, the Committee may establish eligibility criteria (consistent with the provisions of this Section 3(a)) providing for participation of one or more Employees qualifying as Tier 2 Participants who satisfy such criteria.

(b) Duration of Participation. A Participant shall cease to be a Participant in this Plan if: (i) the Participant ceases to be employed by the Company, unless such Participant is then entitled to a severance benefit as provided in Section 4(a) of this Plan; or (ii) the Committee removes the Employee as a Participant before a Change in Control by notice to the Employee in accordance with Section 16 hereof (and for the avoidance of doubt, no person will be removed as a Participant during the twenty-four (24) month period following a Change in Control). Further, participation in this Plan is subject to the unilateral right of the Committee to terminate or amend the Plan in whole or in part as provided in, and subject to the limitations of, Section 17 hereof. Notwithstanding anything herein to the contrary, a Participant who is then entitled to a severance benefit as provided in Section 4(a) of this Plan shall remain a Participant in this Plan until the amounts and benefits payable under this Plan have been paid or provided to the Participant in full. Any severance benefits to be provided to a Participant under this Plan are subject to all of the terms and conditions of the Plan, including Sections 5 and 7.

(c) No Employment Rights. Participation in the Plan does not alter the status of a Participant as an at-will employee, and nothing in the Plan will limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of a Participant at any time and for any reason (with or without Cause).

4. Severance Benefits.

(a) Qualified Termination. Subject to compliance with Sections 5 and 7 hereof, in the event that a Participant incurs a Qualified Termination, the Participant shall be entitled to the compensation and benefits set forth in this Section 4(a).

- (i) Accrued Benefits. The Company shall pay or provide to the Participant the sum of: (A) the Participant's Annual Base Salary earned through the Date of Termination, to the extent not previously paid; (B) any Annual Incentive payable for services rendered in the fiscal year preceding the fiscal year in which the Date of Termination occurs that has not been paid on or prior to the Date of Termination based on actual performance against the target levels; (C) any accrued but unused vacation time in accordance with Company policy; and (D) reimbursement for any unreimbursed business expenses incurred through the Date of Termination in accordance with Company policy (the sum of the amounts described in clauses (A) through (D) shall be referred to as the "Accrued Benefits"). The Accrued Benefits shall be paid in a single lump sum within sixty (60) calendar days after the Date of Termination or such earlier date as may be required by the applicable Company plan or policy or by applicable law.

- (ii) Severance Payments. The Company shall pay to the Participant an amount equal to the Severance Amount. The Severance Amount shall be subject to applicable withholding and shall be payable:
 - (A) In respect of any Qualified Termination that occurs before or more than twenty-four (24) months following a Change in Control, during the Severance Payment Period in approximately equal installments in accordance with the Company regular payroll practices, commencing with the Company's first regular payroll that occurs after the sixtieth (60th) day (but in any event not more than seventy-four (74) days) following the Date of Termination; provided that the first such payment shall consist of all amounts payable to the Participant pursuant to this Section 4(a)(ii) between the Date of Termination and the payment date; and

 - (B) In respect of any Qualified Termination that occurs upon or after but not more than twenty-four (24) months following a Change in Control, in a single lump sum within sixty (60) calendar days after the Date of Termination.

- (iii) COBRA Payments. If the Participant elects to continue participation in any group medical, dental, vision and/or prescription drug plan benefits to which the Participant and/or the Participant's eligible dependents would be entitled under Section 4980B of the Code (COBRA), then the Company shall pay to the Participant an amount (the "COBRA Payments") equal to the excess of (x) the COBRA cost of such coverage for each month during the Severance Payment Period over (y) the amount that the Participant would have had to pay for such coverage if

he had remained employed during the Severance Payment Period and paid the active employee rate for such coverage, less withholding for taxes and other similar items, payable in approximately equal installments, either monthly or consistent with the Company's payroll practices, over a period of time equal to the Severance Payment Period and commencing with the Company's first regular payroll that occurs after the sixtieth (60th) day (but in any event not more than seventy-four (74) days) following the Date of Termination; provided that the first such payment shall consist of all amounts payable to the Participant pursuant to this Section 4(a)(iii) between the Date of Termination and the payment date; provided, however, that (i) that if the Participant becomes eligible to receive group health benefits under a program of a subsequent employer or otherwise, the Company's obligation to pay any portion of the cost of health coverage as described herein shall cease, except as otherwise provided by law; (ii) the Severance Payment Period shall only run for the period during which the Participant is eligible to elect health coverage under COBRA and timely elects such coverage; and (iii) to the extent provision of such benefit on a pre-tax basis would cause it not to qualify for favorable tax treatment under the Code, the Company-paid portion of the monthly premium for such group health benefits, determined in accordance with Code Section 4980B and the regulations thereunder, shall be treated as taxable compensation by including such amount in the Participant's income in accordance with applicable rules and regulations.

(iv) Pro-Rated Annual Incentive. The Company shall pay to the Participant a pro-rata portion of the Participant's Annual Incentive for the year in which his Date of Termination occurs. Such amount shall be subject to applicable withholding and shall be payable:

- (A) In respect of any Qualified Termination that occurs before or more than twenty-four (24) months following a Change in Control, in the amount that would otherwise be paid if his employment had not terminated based on the actual results for such year at the same time that Annual Incentives for such year are paid to other senior executives of the Company and no later than two and one-half months after the year of the Qualified Termination; and
- (B) In respect of any Qualified Termination that occurs upon or after but not more than twenty-four (24) months following a Change in Control, in a single lump sum within sixty (60) calendar days after the Date of Termination equal to his Target Annual Incentive (or, if greater, the Annual Incentive that would have been payable at the actual level of performance through the Date of Termination);

in each case multiplied by a fraction, the numerator of which is the number of days during the fiscal year of the Qualified Termination that

the Participant is employed by the Company and the denominator of which is 365, and in lieu of (and not in duplication of) any amount otherwise payable to the Participant under the Annual Incentive plan for such fiscal year.

- (v) Outplacement Services. In respect of any Qualified Termination that occurs upon or after but not more than twenty-four (24) months following a Change in Control, outplacement services suitable to Participant's position until the earlier of (A) the end of the Severance Payment Period and (B) the Participant's acceptance of an offer of full-time employment from a subsequent employer.
- (vi) Other Benefits. To the extent not previously paid or provided, the Company shall pay or provide, or cause to be paid or provided, to the Participant (or his beneficiary or estate) any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms and normal procedures of each such plan, program, policy or practice or contract or agreement, based on accrued and vested benefits through the Date of Termination.

(b) Other Terminations. If a Participant's employment is terminated for Cause or as a result of the Participant's Disability or death, or if the Participant voluntarily terminates his employment other than for Good Reason, then the Company shall pay or provide to the Participant the Accrued Benefits, payable in accordance with Section 4(a)(i) of this Plan, and the Other Benefits, and no further amounts shall be payable to the Participant under this Section 4 after the Date of Termination.

(c) Notice of Termination. Any termination by the Company for Cause or by Participant for Good Reason shall be communicated by Notice of Termination to the Participant and to the Company in accordance with Section 16 and as stated in the Cause and Good Reason definitions, respectively. The failure by the Company or the Participant to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Company or the Participant hereunder or preclude the Company or the Participant from asserting such fact or circumstance in enforcing the Company's or the Participant's rights hereunder.

(d) Resignation from All Positions. Notwithstanding any other provision of this Plan, upon the termination of a Participant's employment for any reason, unless otherwise requested by the Company, the Participant shall immediately resign from all officer and director positions that he may hold with the Company. As a condition of receiving any severance benefits under this Plan, each Participant shall execute any and all documentation to effectuate such resignations upon request by the Company, but he shall be treated for all purposes as having so resigned upon termination of his employment, regardless of when or whether he executes any such documentation.

5. Release. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to provide any severance payment or benefit under Section 4(a)(ii), (iii), (iv) or (v) hereof unless the Participant has executed, within forty-five (45) days after the Date of Termination, and not timely revoked a separation agreement which includes a general release of claims, substantially in the form attached hereto as Exhibit C (the “Release”).

6. No Mitigation. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment.

7. Protective Covenants.

(a) Nondisclosure of Confidential Information. The Participant agrees that he shall not, directly or indirectly, use any Confidential Information on the Participant’s own behalf or on behalf of any Person other than the Company, or reveal, divulge, or disclose any Confidential Information to any Person not expressly authorized by the Company to receive such Confidential Information. This obligation shall remain in effect for as long as the information or materials in question retain their status as Confidential Information. The Participant further agrees that he shall fully cooperate with the Company in maintaining the confidentiality of Confidential Information to the extent permitted by law. The Company and the Participant acknowledge and agree that this Section 7(a) is not intended to, and does not, alter either the Company’s rights or the Participant’s obligations under any state or federal statutory or common law regarding trade secrets and unfair trade practices.

(b) Proprietary Rights.

- (i) The Participant acknowledges and agrees that any and all Confidential Information and Protected Works, and all Intellectual Property Rights therein, are the sole and exclusive property of the Company, and that no compensation in addition to the Participant’s base salary is due to the Participant for development, assignment or transfer of Protected Works. The Participant acknowledges and agrees that all Works related to or useful in the business of the Company, whether created within or without the Company’s facilities and before, during or after normal business hours, are specifically intended to be “works made for hire” by the Participant created within the scope of employment with the Company, and constitute Protected Works. The Participant hereby waives any and all moral rights he may have to the Works in the United States and all other countries, including, without limitation, any rights the Participant may have under 17 U.S.C. § 106A.
- (ii) The Participant will promptly and fully disclose in writing to the Company the existence of any Protected Works and maintain adequate written records of all Protected Works, which records remain the exclusive property of the Company.
- (iii) The Participant hereby assigns and transfers, and agrees to assign and transfer, all of his rights, title and interest, as and when those rights arise, in any and all Protected Works, including all Intellectual Property Rights

therein, to the Company. If and to the extent it is impossible as a matter of law to assign rights, including, without limitation, Intellectual Property Rights in any portion of the Protected Works to the Company, the Participant hereby grants to the Company an exclusive, irrevocable, perpetual, transferable, fully paid-up, royalty-free, worldwide and unlimited right and license (with right to sublicense) to make (including the right to practice methods, processes and procedures), have made, sell, import, export, distribute, use and exploit in any possible ways (including, but not limited to, modify, copy, amend, translate, display, further develop, prepare derivative works of, distribute and sublicense) all Intellectual Property Rights pertaining to the Protected Works, and any portion of it. The Participant shall not be entitled to use Protected Works for his own benefit or the benefit of anyone, except the Company, without written permission from the Company and then only subject to the terms of such permission. The Participant agrees that he will not oppose or object in any way to applications for registration of Protected Works by the Company or others designated by the Company. The Participant agrees to exercise reasonable care to avoid making Protected Works available to any third party and shall be liable to the Company for all damages and expenses, including reasonable attorneys' fees, if Protected Works are made available to third parties by him, without the express written consent of the Company.

Anything herein to the contrary notwithstanding, the Participant will not be obligated to assign to the Company any Invention or Work for which no equipment, supplies, facilities, or Confidential Information of the Company was used and which was developed entirely on the Participant's own time, unless (i) the Invention or Work relates (A) directly to the business of the Company, or (B) to the Company's actual or demonstrably anticipated research or development; or (ii) the Invention or Work results from any work performed by the Participant for the Company. The Participant likewise will not be obligated to assign to the Company any Invention or Work that is conceived by the Participant after the Participant leaves the employ of the Company, except that the Participant is so obligated if the same relates to or is based on Confidential Information to which the Participant had access by virtue of his employment with the Company. Similarly, the Participant will not be obligated to assign any Invention or Work to the Company that was conceived and reduced to practice prior to his employment, regardless of whether such Invention or Work relates to or would be useful in the business of the Company.

- (iv) The Participant will, during and after his employment, communicate to the Company any facts known to him regarding the Protected Works and, at the Company's request, testify in any legal proceedings, sign all lawful papers, make all rightful oaths, execute and deliver all transfers, assignments, instruments and papers (including, without limitation, applications for registration, divisionals, continuations, continuations-in-part, foreign counterparts, or reissue applications) and take such further

action as may be considered necessary by Company to carry into full force and effect the assignment, transfer, and conveyance made or to be made of title to the Protected Works and all Intellectual Property Rights therein clearly and exclusively to the Company and to enforce and defend the Company's rights therein.

(c) Return of Materials. The Participant agrees that he will not retain or destroy (except as set forth below), and will immediately return to the Company on or prior to the Date of Termination, or at any other time the Company requests such return, any and all property of the Company that is in his possession or subject to his control, including, but not limited to, customer files and information, papers, drawings, notes, manuals, specifications, designs, devices, code, email, documents, diskettes, CDs, tapes, keys, access cards, credit cards, identification cards, equipment, computers, mobile devices, other electronic media, all other files and documents relating to the Company and its business (regardless of form, but specifically including all electronic files and data of the Company), together with all Protected Works and Confidential Information belonging to the Company or that the Participant received from or through his employment with the Company. The Participant will not make, distribute, or retain copies of any such information or property. To the extent that the Participant has electronic files or information in his possession or control that belong to the Company, contain Confidential Information, or constitute Protected Works (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to the Date of Termination, or at any other time the Company requests, the Participant shall (a) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (b) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (c) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted. The Participant agrees that he will reimburse the Company for all of its costs, including reasonable attorneys' fees, of recovering the above materials and otherwise enforcing compliance with this provision if he does not return the materials to the Company or take the required steps with respect to electronic information or files on or prior to the Date of Termination or at any other time the materials and/or electronic file actions are requested by the Company or if the Participant otherwise fails to comply with this provision.

(d) Non-Interference with Employees. The Participant recognizes and acknowledges that, as a result of his employment by the Company, he will become familiar with and acquire knowledge of Confidential Information regarding the other executives and employees of the PBH Entities. Therefore, the Participant agrees that, during the Restricted Period, the Participant shall not encourage, solicit or induce or attempt to induce or persuade any person employed or retained by any of the PBH Entities to end his employment or engagement, as applicable, with a PBH Entity or to violate any policy of any PBH Entity or any confidentiality, non-competition or employment agreement that such person may have with a PBH Entity. Furthermore, neither the Participant nor any person acting in concert with the Participant nor any of the Participant's affiliates shall, during the Restricted Period, offer employment or hire any person who directly reported to the Participant while such person was employed or retained, as applicable, by any of the PBH Entities, unless that person has ceased to be an employee, agent or consultant of the

PBH Entities for at least six (6) months or such person's employment or engagement with a PBH Entity, as applicable, was involuntarily terminated by such PBH Entity.

(e) Non-Competition. The Participant covenants and agrees to not obtain or work in a Competitive Position within the Territory during the Restricted Period; provided, however, that such prohibited activity will not include the passive ownership of not more than 2% of the outstanding stock of any class of a publicly-traded corporation, so long as the Participant has no active participation in the business of such corporation. The Participant and the Company recognize and acknowledge that the scope, area and time limitations contained in this Section 7 are reasonable and are properly required for the protection of the business interests of Company due to the Participant's status and reputation in the industry and the knowledge to be acquired by the Participant through his association with the Company's business and the public's close identification of the Participant with the Company and the Company with the Participant. Further, the Participant acknowledges that his skills are such that he could easily find alternative, commensurate employment or consulting work in his field that would not violate any of the provisions of this Section 7. The Participant acknowledges and understands that, as consideration for his agreement with the terms of this covenant not to compete, the Participant may receive benefits from the Company in accordance with this Plan.

(f) Permitted Disclosures. Notwithstanding anything herein to the contrary, the Participant shall not be restricted from: (i) disclosing information that is required to be disclosed by law, court order or other valid and appropriate legal process; provided, however, that in the event such disclosure is required by law, the Participant shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by the Participant; or (ii) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation, and the Participant shall not need the prior authorization of the Company to make any such reports or disclosures and shall not be required to notify the Company that the Participant has made such reports or disclosures. Further, pursuant to 18 U.S.C. § 1833(b), the Participant understands and acknowledges that he will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company that (x) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Participant's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Participant understands that if he files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to his attorney and use the trade secret information in the court proceeding if the Participant (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order. Nothing in this Plan or any other agreement that the Participant has with the Company, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(g) Remedies.

- (i) The Participant understands and acknowledges that his violation of this Section 7 or any section or subsection thereof would cause irreparable harm to Company, and the Company shall be entitled to, in

addition to any other right or remedy, an injunction by any court of competent jurisdiction enjoining and restraining the Participant from any employment, service, or other act prohibited by this Section 7. The Company and the Participant agree that nothing in this Section 7 shall be construed as prohibiting Company from pursuing any remedies available to it for any breach or threatened breach of this Section 7 or any section or subsection thereof, including, without limitation, the recovery of damages from the Participant or any person or entity acting in concert with the Participant. Furthermore and in recognition that certain severance payments are being agreed to in reliance upon the Participant's compliance with this Section 7 after termination of his employment, in the event the Participant breaches any of provisions of this Section 7, any unpaid amounts (e.g., those provided under Section 4(a)(ii), (iii) or (iv)) shall be forfeited and Company shall not be obligated to make any further payments or provide any further benefits to the Participant following any such breach; provided however that prior to any such forfeiture, the Participant shall be given written notice of any breach of any such provisions and the Participant shall have ten (10) days to cure any such breach, if such breach is capable of being cured.

- (ii) The Participant acknowledges and agrees that each of the Protective Covenants is reasonable and valid in time and scope and in all other respects. The Company and the Participant agree that it is their intention that the Protective Covenants be enforced in accordance with their terms to the maximum extent permitted by law. Each of the Protective Covenants shall be considered and construed as a separate and independent covenant. Should any part or provision of any of the Protective Covenants be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Plan or such Protective Covenant. If any of the provisions of the Protective Covenants should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of the Company's legitimate business interests and may be enforced by the Company to that extent in the manner described above and all other provisions of this Plan shall be valid and enforceable.

8. Effect on Other Plans, Agreements and Benefits.

(a) Relation to Other Benefits. Unless otherwise provided herein, nothing in this Plan shall prevent or limit a Participant's continuing or future participation in any plan, program, policy or practice provided by the Company for which the Participant may qualify, nor, except as explicitly set forth in this Plan, shall anything herein limit or otherwise affect such rights as a Participant may have under any other contract or agreement with the Company. Further, the Participant's voluntary termination of employment, with or without Good Reason as might be applicable, shall in no way affect the Participant's ability to terminate employment by reason of the Participant's "retirement" under, or to be eligible to receive benefits under, any compensation

and benefits plans, programs or arrangements of the Company, including, without limitation, any retirement or pension plans or arrangements or substitute plans adopted by the Company, and any termination which otherwise qualifies as Good Reason shall be treated as such even it is also a “retirement” for purposes of any such plan. Any economic or other benefit to a Participant under this Plan will not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement, workers compensation or other benefit or compensation plan maintained by the Company (except to the extent provided otherwise in any such plan with respect to Accrued Benefits).

(b) Non-Duplication. Notwithstanding the foregoing provisions of Section 8(a), and except as specifically provided below, any severance benefits received by a Participant pursuant to this Plan shall be in lieu of any general severance policy or other severance plan maintained by the Company (other than a stock option, restricted stock, share or unit, performance share or unit, long-term incentive award, annual incentive award, supplemental retirement, deferred compensation or similar plan or agreement which may contain provisions operative on a termination of the Participant’s employment or may incidentally refer to accelerated vesting or accelerated payment upon a termination of employment). Further, as a condition of participating in this Plan, each Participant who is a party to an employment agreement or offer letter with the Company that otherwise would provide for severance benefits acknowledges and agrees that the severance benefits payable under this Plan shall be in lieu of and in full substitution for (and not in duplication of), any right to severance benefits under any such employment agreement or offer letter with the Company.

9. Certain Tax Matters.

(a) Code Section 409A.

- (i) General. This Plan shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under this Plan is not warranted or guaranteed. Neither the Company nor Parent nor any of their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant as a result of the application of Section 409A of the Code.
- (ii) Definitional Restrictions. Notwithstanding anything in this Plan to the contrary, to the extent that any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable hereunder by reason of a Participant’s termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to the Participant by reason of such circumstance unless the circumstances giving rise to such termination of employment meet any description or definition of “separation from service” in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). If this provision prevents the payment or distribution of any Non-Exempt

Deferred Compensation, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant “separation from service”.

- (iii) Treatment of Installment Payments. Each payment under Section 4(a)(ii), (iii) and (iv) of this Plan, as applicable, including, without limitation, each installment payment, shall be considered a separate payment, as described in Treas. Reg. Section 1.409A-2(b)(2), for purposes of Section 409A of the Code.
- (iv) Timing of Release of Claims. Whenever in this Plan a payment or benefit is conditioned on the Participant’s execution of a Release, such Release must be executed and all revocation periods shall have expired within sixty (60) days after the Date of Termination; failing which such payment or benefit shall be forfeited. If such payment or benefit constitutes Non-Exempt Deferred Compensation then, to the extent required to avoid imposition of any tax under Section 409A of the Code, if the timing of execution of the Release affects whether the payment or benefit would commence or be made in the calendar year of the Date of Termination or a subsequent year, the payment or benefit shall commence or be made in the subsequent year.
- (v) Timing of Reimbursements and In-Kind Benefits. If the Participant is entitled to be paid or reimbursed for any taxable expenses under this Plan, and such payments or reimbursements are includible in the Participant’s federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. No right of the Participant to reimbursement of expenses under the Plan shall be subject to liquidation or exchange for another benefit.
- (vi) Permitted Acceleration. The Company shall have the sole authority to make any accelerated distribution permissible under Treas. Reg. Section 1.409A-3(j)(4) to a Participant of deferred amounts, provided that such distribution meets the requirements of Treas. Reg. Section 1.409A-3(j)(4).
- (vii) Six-Month Delay in Certain Circumstances. Notwithstanding anything in the Plan to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Plan by reason of a Participant’s separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes): (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-

month period immediately following the Participant's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant's separation from service (or, if the Participant dies during such period, within thirty (30) days after the Participant's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder.

- (viii) Coordination of Benefits. Notwithstanding anything in the Plan to the contrary, if any severance payable under a plan or agreement covering a Participant as of the date such Participant becomes eligible to participate in this Plan constitutes deferred compensation under Section 409A of the Code, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the portion of the benefits payable hereunder equal to such other amount shall instead be provided in the form set forth in such other plan or agreement. Further, to the extent, if any, that provisions of this Plan affect the time or form of payment of any amount which constitutes deferred compensation under Section 409A of the Code, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, if the Change in Control does not constitute a change in control event under Section 409A of the Code, the time and form (but not the amount) of payment shall be the time and form that would have been applicable in absence of a Change in Control.

(b) Code Section 280G.

- (i) Notwithstanding anything in this the Plan to the contrary, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Participant (whether paid or payable or distributed or distributable pursuant to the terms of this the Plan or otherwise) (such benefits, payments or distributions are hereinafter referred to as "Payments") would, if paid, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then, prior to the making of any Payments to the Participant, a calculation shall be made comparing (i) the net after-tax benefit to the Participant of the Payments after payment by the Participant of the Excise Tax, to (ii) the net after-tax benefit to the Participant if the Payments had been limited to the extent necessary to avoid being subject to the Excise Tax. If the amount calculated under (i) above is less than the amount calculated under (ii) above, then the Payments shall be limited to the extent necessary to avoid being subject to the Excise Tax (the "Reduced Amount"). The reduction of the Payments due hereunder, if applicable, shall be made by first reducing cash Payments and then, to the extent necessary, reducing those Payments having the next highest ratio of Parachute Value to actual present value of such Payments as of the date

of the Change in Control, as determined by the Determination Firm (as defined in Section 9(b) (ii) below). For purposes of this Section 9(b), present value shall be determined in accordance with Section 280G(d)(4) of the Code. For purposes of this Section 9(b), the “Parachute Value” of a Payment means the present value as of the date of the Change in Control of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2) of the Code, as determined by the Determination Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

- (ii) All determinations required to be made under this Section 9(b), including whether an Excise Tax would otherwise be imposed, whether the Payments shall be reduced, the amount of the Reduced Amount, and the assumptions to be utilized in arriving at such determinations, shall be made by a nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and the Participant (the “Determination Firm”) which shall provide detailed supporting calculations both to the Company and the Participant within 15 business days after the receipt of notice from the Participant that a Payment is due to be made, or such earlier time as is requested by the Company. All fees and expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that Payments which the Participant was entitled to, but did not receive pursuant to Section 9(b)(i), could have been made without the imposition of the Excise Tax (“Underpayment”), consistent with the calculations required to be made hereunder. In such event, the Determination Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant but no later than March 15 of the year after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

10. Administration. The Committee shall have complete discretion to interpret where necessary all provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to make factual findings with respect to any issue arising under the Plan, to determine the rights and status under the Plan of Participants or other persons, to resolve questions (including factual questions) or disputes arising under the Plan and to make any determinations with respect to the benefits payable under the Plan and the persons entitled thereto as may be necessary for the purposes of the Plan. Without limiting the generality of the foregoing, the Committee is hereby granted the authority (a) to determine whether a particular Employee is a Participant, and (b) to determine if a person is entitled to benefits hereunder and, if so, the amount and duration of such benefits. The Committee may delegate, subject to such terms as the Committee shall determine, any of its authority hereunder to one or more officers of the Company. In the event of such delegation, all references to the Committee in this Plan shall be

deemed references to such delegates as it relates to those aspects of the Plan that have been delegated.

11. Claims for Benefits.

(a) Filing a Claim. Any Participant or beneficiary who wishes to file a claim for benefits under the Plan shall file his claim in writing with the Company. Any such claim should be sent to the Company's General Counsel.

(b) Review of a Claim. The Company shall, within 90 calendar days after receipt of such written claim (unless special circumstances require an extension of time, but in no event more than 180 calendar days after such receipt), send a written notification to the Participant or beneficiary as to its disposition. If the claim is wholly or partially denied, such written notification shall (i) state the specific reason or reasons for the denial, (ii) make specific reference to pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Participant or beneficiary to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Participant or beneficiary may appeal the denial of his claim, including, without limitation, a statement of the claimant's right to bring an action under Section 502(a) of ERISA following an adverse determination on appeal.

(c) Appeal of a Denied Claim. If a Participant or beneficiary wishes to appeal the denial of his claim, he must request a review of such denial by making application in writing to the Committee within 60 calendar days after receipt of such denial. The Participant or beneficiary (or his duly authorized legal representative) may submit, in writing, issues and comments in support of his position. A Participant or beneficiary who fails to file an appeal within the 60-day period set forth in this Section 11(c) shall be prohibited from doing so at a later date or from bringing an action under ERISA.

(d) Review of a Claim on Appeal. Within 60 calendar days after receipt of a written appeal (unless the Committee determines that special circumstances, such as the need to hold a hearing, require an extension of time, but in no event more than 120 calendar days after such receipt), the Committee shall notify the Participant or beneficiary of the final decision. The final decision shall be in writing and shall include (i) specific reasons for the decision, written in a manner calculated to be understood by the claimant, (ii) specific references to the pertinent Plan provisions on which the decision is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents relevant to the claim for benefits, and (iv) a statement describing the claimant's right to bring an action under Section 502(a) of ERISA.

12. Participants Deemed to Accept Plan. By accepting any payment or benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to have indicated his acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Committee, the Company, in any case in accordance with the terms and conditions of the Plan.

13. Successors.

(a) Company Successors. This Plan shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or

otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. The Company shall require any such successor to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) **Participant Successors.** The rights of a Participant to receive any benefits hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by his will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 13(b), the Company shall have no liability or obligation to pay any amount so attempted to be assigned, transferred or delegated. At no time will any such right or interest be subject to the claims of creditors nor liable to attachment, execution or other legal process. This Plan shall inure to the benefit of a Participant's heirs, executors, administrators and legal representatives and beneficiaries.

14. Unfunded Status. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan.

15. Withholding. The Company may withhold from any amounts payable under this Plan all federal, state, city or other taxes as the Company are required to withhold pursuant to any law or government regulation or ruling.

16. Notices. Any notice provided for in this Plan shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient. Notices to Participant shall be sent to the address of Participant most recently provided to the Company. Notices to the Company should be sent to Prestige Consumer Healthcare Inc. 660 White Plains Road, Suite 250, Tarrytown, NY 10591, Attention: General Counsel. Notice and communications shall be effective on the date of delivery if delivered by hand, on the first business day following the date of dispatch if delivered utilizing overnight courier, or three business days after having been mailed, if sent by first class mail.

17. Amendments; Termination. The Committee expressly reserves the unilateral right, at any time, without the consent of the impacted Participant or Participants, to amend or terminate the Plan in whole or in part, including without limitation to remove individuals as Participants or to modify or eliminate all or any benefits under Section 4 hereof; provided that (a) no such action shall impair the rights of a Participant who previously has incurred a Qualified Termination unless such amendment, modification, removal or termination is agreed to in a writing signed by the Participant and the Company and (b) the Plan may not be terminated or amended during the twenty-four (24) months following a Change in Control in any manner that would adversely affect the benefits available to any Participant under the Plan (the period during which this Plan shall remain in effect subject to the limitations of this Section 17, the "Term"). Notwithstanding the above, the Committee may modify the Plan at any time without the executives' consent to comply with the requirements of Section 409A of the Code and any other rule, regulation, or statute, as determined by the Committee in its sole and absolute discretion. **Section 7 and Section 18 shall survive the termination of this Plan.**

18. Applicable Law; Forum Selection; Consent to Jurisdiction. The Plan shall be governed by and construed and interpreted in accordance with the laws of the State of New York without giving effect to its conflicts of law principles. Employee agrees that the exclusive forum for any action to enforce this Agreement, as well as any action relating to or arising out of this Agreement, shall be the state or federal courts of the State of New York. With respect to any such court action, the Participant hereby (a) irrevocably submits to the personal jurisdiction of such courts; (b) consents to service of process; (c) consents to venue; and (d) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction, service of process, or venue. Both the Company and the Participant agree that the state and federal courts of the State of New York are convenient forums for any dispute that may arise herefrom and that neither party shall raise as a defense that such courts are not convenient forums.

19. Severability. Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Plan 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 Plan shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

20. Continued Employment. Neither the establishment of this Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant, or any person whomsoever, the right to be retained in the service of the Company, and all Participants shall remain subject to discharge to the same extent as if this Plan had never been adopted.

21. Headings; Gender. Headings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof. References in this Plan to any gender include references to all genders, and references to the singular include references to the plural and vice versa.

The foregoing is hereby acknowledged as being the Prestige Consumer Healthcare Inc. Executive Severance Plan as amended and restated and adopted by the Compensation and Talent Management Committee of the Board of Directors of Prestige Consumer Healthcare Inc. on October 29, 2018.

PRESTIGE CONSUMER HEALTHCARE INC.

/s/ Ronald M. Lombardi
Name: Ronald M. Lombardi
Title: Chief Executive Officer

CERTIFICATIONS

I, Ronald M. Lombardi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Consumer Healthcare Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2018

/s/ Ronald M. Lombardi

Ronald M. Lombardi

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATIONS

I, Christine Sacco, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Consumer Healthcare Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2018

/s/ Christine Sacco

Christine Sacco
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ronald M. Lombardi, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Consumer Healthcare Inc. on Form 10-Q for the quarter ended September 30, 2018, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Consumer Healthcare Inc.

/s/ Ronald M. Lombardi

Name: Ronald M. Lombardi

Title: *Chief Executive Officer*

(Principal Executive Officer)

Date: November 1, 2018

**CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christine Sacco, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Consumer Healthcare Inc. on Form 10-Q for the quarter ended September 30, 2018, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Consumer Healthcare Inc.

/s/ Christine Sacco

Name: Christine Sacco

Title: *Chief Financial Officer*

(Principal Financial Officer)

Date: November 1, 2018