

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>10/01/2010</u> and ending <u>09/30/2011</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>PENN FISHING TACKLE MANUFACTURING COMPANY PENSION PLAN</u>	1b Three-digit plan number (PN) ►	<u>008</u>	
	1c Effective date of plan	<u>10/18/1961</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>K2 INC.</u> <u>3028 WEST HUNTING PARK AVENUE</u> <u>PHILADELPHIA, PA 19132</u>	2b Employer Identification Number (EIN) <u>95-2077125</u>	2c Sponsor's telephone number <u>215-229-9415</u>	2d Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/11/2012</u>	<u>TONYA JARVIS</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") K2 INC. 3028 WEST HUNTING PARK AVENUE PHILADELPHIA, PA 19132	3b Administrator's EIN 95-2077125
	3c Administrator's telephone number 215-229-9415

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name K2 INC.	4b EIN 95-2077125	4c PN 006
5 Total number of participants at the beginning of the plan year	5	120
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	70
b Retired or separated participants receiving benefits.....	6b	9
c Other retired or separated participants entitled to future benefits.....	6c	28
d Subtotal. Add lines 6a , 6b , and 6c	6d	107
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	110
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☐ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>PENN FISHING TACKLE MANUFACTURING COMPANY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>008</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>K2 INC.</u>	D Employer Identification Number (EIN) <u>95-2077125</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>2430103</u>
b Actuarial value	2b <u>2430103</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>13</u> <u>477335</u>
b For terminated vested participants	3b <u>27</u> <u>350984</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>45572</u>
(2) Vested benefits	3c(2) <u>2163737</u>
(3) Total active	3c(3) <u>80</u> <u>2209309</u>
d Total	3d <u>120</u> <u>3037628</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.12</u> %
6 Target normal cost	6 <u>59098</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>05/04/2012</u>
Signature of actuary	Date
<u>KEITH CRONIN</u>	<u>11-06295</u>
Type or print name of actuary	Most recent enrollment number
<u>NEW YORK LIFE RETIREMENT PLAN SERVI</u>	<u>781-619-2000</u>
Firm name	Telephone number (including area code)
<u>690 CANTON STREET</u> <u>WESTWOOD, MA 02090</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	0	0
10	Interest on item 9 using prior year's actual return of <u>12.75</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		57623
b	Interest on (a) using prior year's effective rate of <u>6.63</u> %		3820
c	Total available at beginning of current plan year to add to prefunding balance		61443
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.04 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls		
18	Contributions made to the plan for the plan year by employer(s) and employees:		
	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
	01/14/2011	33943	
	04/15/2011	33943	
	07/15/2011	33943	
	10/14/2011	33943	
	12/27/2011	290799	
	08/16/2011	1492000	
	Totals ▶	18(b)	1918571
		18(c)	0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 1416520
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 400557
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c	If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.61 %	2nd segment: 6.20 %	3rd segment: 6.53 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	59098
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	486020	93771
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	152869
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35).....	36	152869
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	400557
38 Interest-adjusted excess contributions for current year (see instructions).....	38	247688
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011

<div>A Name of plan</div> <div>PENN FISHING TACKLE MANUFACTURING COMPANY PENSION PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>008</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>K2 INC.</div>	<div>D Employer Identification Number (EIN)</div> <div>95-2077125</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TROUTMAN SANDERS

58-0946915

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	RETAINED BY CLIENT	54089	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NEW YORK LIFE INVESTMENT MANAGEMENT

52-2206685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 62 64	RETAINED BY CLIENT	33628	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

BKD, LLP

44-0160260

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	RETAINED BY CLIENT	26824	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ATESSA BENEFITS

02-0429408

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	RETAINED BY CLIENT	5337	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2010 This Form is Open to Public Inspection
For calendar plan year 2010 or fiscal plan year beginning <u>10/01/2010</u> and ending <u>09/30/2011</u>		
A Name of plan <u>PENN FISHING TACKLE MANUFACTURING COMPANY PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>008</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>K2 INC.</u>	D Employer Identification Number (EIN) <u>95-2077125</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	5636	5696
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	178489	324742
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	163708	1501308
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	2087582	705181
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2435415	2536927

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2435415	2536927
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1918571	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	138	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1918709
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	26	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		26
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	109591	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		109591
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		24706
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2053032

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1814455	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1814455
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	90030	
(2) Contract administrator fees	2i(2)	33628	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	13407	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		137065
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1951520

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		101512
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BKD, LLP**

(2) EIN: **44-0160260**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011

A Name of plan <u>PENN FISHING TACKLE MANUFACTURING COMPANY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>008</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>K2 INC.</u>	D Employer Identification Number (EIN) <u>95-2077125</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3808042</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>42</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Independent Accountants' Report

Plan Administrator
Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan
Boca Raton, Florida

We were engaged to audit the accompanying statements of net assets available for benefits of Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan as of September 30, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedules. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the Plan Administrator instructed us not to perform, and we did not perform, auditing procedures with respect to the information summarized in Note 3, which was certified by New York Life Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of and for the years ended September 30, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*. Because of the significance of the matter described above, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*.

BKD, LLP

Indianapolis, Indiana
May 31, 2012

Federal Employer Identification Number: 44-0160260

Attachment to 2010 Schedule SB

Line 22: Weighted average retirement age

Penn Fishing Tackle Manufacturing Company Pension Plan

EIN: 95-2077125 / PN: 008

All participants are assumed to retire at age 65.

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Actuarial Cost Method

Funding Target / Target Normal Cost

An Actuarial Cost Method is an allocation of the expected cost of a pension plan on a year-by-year basis. The primary objective of an Actuarial Cost Method is to accumulate enough assets prior to each participant's retirement to provide the promised pension benefits.

The Pension Protection Act of 2006 (PPA) mandates the use of the Traditional Unit Credit Actuarial Cost Method. Under this method, the accrued benefit is estimated based upon service and, if applicable, earnings as of the valuation date. The Funding Target is equal to the actuarial present value of all accrued benefits as of the valuation date. The Target Normal Cost is the actuarial present value, as of the valuation date, of the expected increases in projected accrued benefit attributable to service expected to be completed during the plan year (i.e. if applicable, one year's salary growth is reflected in the determination of Target Normal Cost).

For tax deduction purposes, the Funding Target may reflect the value of future pay increases on accrued benefits, if applicable.

PPA Discounting Method

The plan sponsor is responsible for making the following decisions with regard to the discounting method:

- Full yield-curve spot rates or a segmented yield-curve of 24-month average rates of corporate bond rates
- If the segmented yield curve is used, the rates as of the month of the valuation may be used or as of a lookback month up to 4 months prior to the valuation date (the full yield curve must use the rates as of the month of the valuation starting in 2010)

For purposes of this valuation, the following discounting method was used and is assumed to be approved by the plan sponsor:

- Rates for the month of September preceding the valuation date
- Segment Rates

Asset Valuation Method

The Plan Assets for purposes of this Actuarial Valuation are valued at their fair market value, including, if applicable, discounted receivable contributions.

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Actuarial Assumptions

Economic Assumptions

<u>PPA Segment Rates</u>	<u>Funding Target</u>
- Segment 1: Up to Year 5	3.61%
- Segment 2: Years 5-20	6.20%
- Segment 3: Years 20+	6.53%

Annual rates of increase:

- Salaries	N/A
- Future Social Security wage bases	N/A
- Statutory limits on compensation and benefits	N/A

Demographic Assumptions

Mortality:

- Funding Target / PBGC	IRS 2010 Static Mortality Table
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Termination:

Graduated Rates (see table below for sample rates):

<u>Age</u>	Probability of Termination					
	<u>Years of Service</u>					
	0	1	2	3	4	>=5
25	0.188	0.140	0.118	0.094	0.070	0.046
40	0.088	0.066	0.056	0.044	0.034	0.022
55	0.032	0.024	0.020	0.016	0.012	0.008

Disability: Graduated Rates (see table below for sample rates):

<u>Age</u>	<u>Percentage of Participants Expected to Become Disabled in the Next Year</u>
25	0.0000%
30	0.0150%
35	0.0175%
40	0.0275%
45	0.0550%
50	0.1150%
55	0.2550%
60	0.4050%

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Actuarial Assumptions

Assumed Retirement Age: The assumed retirement date is contingent upon attainment of age 65 or age at the valuation date if later.

Miscellaneous Assumptions

Form of Payment: 100% of active participants are assumed to elect and receive benefits in lump sum payment equal to the actuarial lump sum value of annuity benefits determined using mortality rates and interest rates required under the Pension Protection Act of 2006.

Expenses: Equal to prior year's actual expenses.

Percent Married: 100%

Spouse's Age: Wives assumed to be 3 years younger than husbands

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

Effective Dates:	Original Plan: October 18, 1961
Eligibility Requirements:	Each Non-union Employee becomes a participant on the first of the month following date of hire. Effective May 31, 2007, the Plan is frozen to new participants.
Credited Service:	<p>Prior to October 1, 1976, an employee will receive credit for all full calendar years and completed months of continuous employment.</p> <p>After September 30, 1976, an employee will receive credit for each Year of Service (a plan year during which the Employee completes 1,000 or more Hours of Service.)</p> <p>Effective May 31, 2007 the Plan is frozen. No further service will be accrued.</p>
Compensation:	Compensation is the total compensation received by the participant for the prior plan year, including any amount deferred under a qualified 401(k), 403(b), or 125 plan. Excluded are amounts for other fringe benefits, moving expenses, automobile allowances, and taxable values of employer paid group term life insurance.
Average Plan Compensation:	<p>After December 31, 2005: The average of the highest consecutive five years of Compensation in the last ten calendar years of service, but not less than the value calculated under the Plan's provisions in effect at December 31, 2005.</p> <p>Before January 1, 2006: The average of the highest consecutive 60 calendar months of compensation during the last 120 months of service.</p> <p>Effective May 31, 2007 benefit accruals were frozen; compensation after that date is not considered.</p>

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

Accrued Benefit: Monthly lifetime annuity payable commencing at the participant's Normal Retirement Date based on the Normal retirement benefit formula using Credited Service and Average Plan Compensation at date of determination, or May 31, 2007 if earlier.

Vesting: All Participants shall be vested according to the following schedule:

<u>Years of Service</u>	<u>Percent Vested</u>
0	0
1	0
2	0
3	0
4	0
5 +	100

Vested Benefit: The vested benefit shall be the vested portion of the Accrued Benefit as of the date of determination.

Normal Retirement Date: First of the month coincident with or next following attained age 65.

Normal Retirement Benefit: The amount of Monthly Retirement Benefit payable as a life annuity is calculated as $1/12^{\text{th}}$ of the greatest of a, b, c and d where:

a) 0.9% of Average Plan Compensation multiplied by Credited Service, plus

0.6% of the excess, if any, of Average Plan Compensation over Covered Compensation multiplied by Credited Service limited to 43, 39, or 36 years if the participant's Social Security retirement Age is 65, 66, or 67, respectively.

b) \$240 time years of Credited Service

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

c) The annual benefit under the Plan provisions in effect at October 1, 1981 without recognition of compensation increases after September 1, 1981.

d) The Accrued benefit earned under the Plan in effect at September 30, 1989

Covered compensation is the average of Social Security Taxable Wage Base for the 35-year period ending at the participant's Social Security retirement age.

Effective May 31, 2007, the Plan is frozen; no further benefit will be accrued.

Delayed Retirement:

Eligibility is the first of the month on or next following the actual date the participant terminates employment after Normal Retirement Date. The Benefit is the greater of the Accrued Benefit as of the actual retirement date or, if greater, the Actuarial Equivalent of Normal Retirement Benefit.

Early Retirement:

Eligibility

Eligibility is contingent upon the attainment of Age 60 and completion of 5 Years of Vesting Service.

Benefit

A participant may retire on the first day of any month following attainment of eligibility. The amount of the monthly Early Retirement Benefit is the Participant's Accrued Benefit reduced to reflect the early commencement of payments. The reduction is 1/180 for each of the first 60 months and actuarially thereafter by which the benefit commences prior to Normal Retirement Date.

Disability Retirement:

Eligibility

First day of the seventh month from date of termination of service, by reason of total and permanent disability as defined by the Social Security Administration.

Benefit

Accrued Benefit as of the Disability Retirement Date, without reduction for early commencement.

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

Death Benefit:

Eligibility

Eligibility is contingent upon the vesting date.

Benefit

If there is no Surviving Eligible Spouse, there is no benefit to be paid. Monthly Benefit to Surviving Spouse is the 50% Qualified Survivor Annuity. The date of payment is the Participant's Earliest Retirement Date.

Post-Retirement Death Benefits:

Post-retirement Death Benefits are dependent upon the form of payment selected.

Methods of Payments:

Under the Normal Form of Payment, a Participant's retirement benefit is payable as a monthly annuity for life, without further payments after death. A Participant may elect to receive the benefit under one of the following Actuarially Equivalent optional modes:

A reduced benefit is paid to the Participant for life, with 100%, 75% or 50% of such benefit continued after death for the subsequent lifetime of the designated contingent annuitant.

A reduced benefit is paid to the Participant for life, with 60, 120, or 180 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a beneficiary until 60, 120 or 180 payments have been paid.

The actuarial equivalent Lump Sum value of the Accrued Benefit.

Unless the Participant has elected an option above, it is automatically assumed that a married Participant has elected an Actuarially Equivalent Joint and Survivor Option with one-half of the initial amount continued to the surviving spouse as contingent annuitant.

ATTACHMENT TO 2010 SCHEDULE SB (FORM 5500)

Penn Fishing Tackle Maunfacturing Company Pension Plan

EIN/PN: 95-2077125/008

Item 26--Schedule of Active Participant Data

YEARS OF CREDITED SERVICE											
Attained Age	Under 1 No.	1 to 4 No.	5 to 9 No.	10 to 14 No.	15 to 19 No.	20 to 24 No.	25 to 29 No.	30 to 34 No.	35 to 39 No.	40 & up No.	Total
Under 25	0	0	1	0	0	0	0	0	0	0	1
25 to 29	0	1	0	0	0	0	0	0	0	0	1
30 to 34	0	0	1	0	0	0	0	0	0	0	1
35 to 39	0	1	1	1	1	0	0	0	0	0	4
40 to 44	0	3	2	0	2	1	0	0	0	0	8
45 to 49	0	2	6	0	1	2	3	1	0	0	15
50 to 54	0	1	3	2	4	6	3	1	1	0	21
55 to 59	0	0	3	1	2	3	1	1	1	1	13
60 to 64	0	1	2	2	1	6	0	0	1	1	14
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	1	0	0	1	0	0	2
	0	9	19	6	12	18	7	4	3	2	80

Attachment to 2010 Form 5500

Schedule SB, Line 32 – Schedule of Amortization Basis

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan

EIN: 95-2077125

Plan Sponsor's Name K2 Inc.

PN: 008

Development of Shortfall Amortization Charge

1.	1st segment rate	3.61%
	2nd segment rate	6.20%
2.	Funding target	\$3,037,628
3.	Adjusted plan assets	
	(a) Actuarial assets	2,430,103
	(b) Funding Standard Carryover Balance	0
	(c) Prefunding Balance (PFB)	0
	(d) Adjusted assets: (a)-(b)-(c), not less than 0	2,430,103
4.	Funding shortfall: (2)-(3)(d), not less than 0	607,525
5.	Current shortfall amortization installments	
	(a) Annual installments	
	(i) Year -1 base (6 years remaining)	35,294
	(ii) Year -2 base (5 years remaining)	42,760
	(iii) Year -3 base (4 years remaining)	0
	(iv) Year -4 base (3 years remaining)	0
	(v) Year -5 base (2 years remaining)	0
	(vi) Year -6 base (1 years remaining)	0
	(b) Total annual installments	78,054
	(c) Present value of annual installments	
	(i) Year -1 base (6 years remaining)	190,720
	(ii) Year -2 base (5 years remaining)	199,412
	(iii) Year -3 base (4 years remaining)	0
	(iv) Year -4 base (3 years remaining)	0
	(v) Year -5 base (2 years remaining)	0
	(vi) Year -6 base (1 years remaining)	0
	(d) Total present value of annual installments	390,132
6.	Exemption from new shortfall amortization base	
	(a) Target liability percentage	96.00%
	(b) Shortfall funding target: (2)x(a)	2,916,123
	(c) Prefunding Balance if used to reduce the Minimum Required Contribution, else 0	0
	(d) Exempt?: [(3)(a)-(c)]>=(b)	No

Attachment to 2010 Form 5500

Schedule SB, Line 32 – Schedule of Amortization Basis

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan

EIN: 95-2077125

Plan Sponsor's Name K2 Inc.

PN: 008

Development of Shortfall Amortization Charge

7.	Shortfall amortization base	
(a)	Adjusted funding shortfall: (6)(b)-(3)(d), not less than 0	486,020
(b)	New current year base: (a)-(5)(d), or 0 if exempt	95,888
(c)	New 7-year installment amount	15,717
8.	Shortfall amortization charge: (5)(b)+(7)(c), not less than 0	\$93,771

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

Penn Fishing Tackle Manufacturing Company Pension Plan

B Three-digit
plan number (PN) ▶

008

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

K2 Inc.

D Employer Identification Number (EIN)

95-2077125

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500**Part I Basic Information****1** Enter the valuation date: Month 10 Day 1 Year 2010**2** Assets:

	2a	
a Market value.....	2,430,103	
b Actuarial value.....	2,430,103	

3 Funding target/participant count breakdown

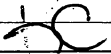
	3a	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	13	477,335	
b For terminated vested participants.....	27	350,984	
c For active participants:			
(1) Non-vested benefits.....	3c(1)	45,572	
(2) Vested benefits.....	3c(2)	2,163,737	
(3) Total active.....	3c(3)	2,209,309	
d Total.....	3d	120	3,037,628

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

	4a	
a Funding target disregarding prescribed at-risk assumptions.....		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	

5 Effective interest rate..... **5** 6.12 %**6** Target normal cost..... **6** 59,098**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

KEITH CRONIN

Type or print name of actuary

NEW YORK LIFE RETIREMENT PLAN SERVI

Firm name

690 CANTON STREET

WESTWOOD

MA 02090

Address of the firm

5-4-2012

Date

11-06295

Most recent enrollment number

(781) 619-2000

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of <u>12.75</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		57,623
b	Interest on (a) using prior year's effective rate of <u>6.63</u> %		3,820
c	Total available at beginning of current plan year to add to prefunding balance		61,443
d	Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III		Funding percentages	
14	Funding target attainment percentage	14	80.00 %
15	Adjusted funding target attainment percentage	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.04 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/14/2011	33,943				
04/15/2011	33,943				
07/15/2011	33,943				
10/14/2011	33,943				
12/27/2011	290,799				
08/16/2011	1,492,000				
Totals ▶			18(b)	1,918,571	18(c)
					0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	1,416,520
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	400,557

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.61 %	2nd segment: 6.20 %	3rd segment: 6.53 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	59,098
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	486,020	93,771
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	152,869
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
		0
36 Additional cash requirement (item 34 minus item 35)	36	152,869
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	400,557
38 Interest-adjusted excess contributions for current year (see instructions)	38	247,688
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Plan Name	Penn Fishing Tackle Manufacturing Company Pension Plan	EIN:	95-2077125
Plan Sponsor's Name	K2 Inc.	PN:	008

[illegible]

Attachment to 2010 Schedule SB

Line 22: Weighted average retirement age

Penn Fishing Tackle Manufacturing Company Pension Plan

EIN: 95-2077125 / PN: 008

All participants are assumed to retire at age 65.

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Actuarial Cost Method

Funding Target / Target Normal Cost

An Actuarial Cost Method is an allocation of the expected cost of a pension plan on a year-by-year basis. The primary objective of an Actuarial Cost Method is to accumulate enough assets prior to each participant's retirement to provide the promised pension benefits.

The Pension Protection Act of 2006 (PPA) mandates the use of the Traditional Unit Credit Actuarial Cost Method. Under this method, the accrued benefit is estimated based upon service and, if applicable, earnings as of the valuation date. The Funding Target is equal to the actuarial present value of all accrued benefits as of the valuation date. The Target Normal Cost is the actuarial present value, as of the valuation date, of the expected increases in projected accrued benefit attributable to service expected to be completed during the plan year (i.e. if applicable, one year's salary growth is reflected in the determination of Target Normal Cost).

For tax deduction purposes, the Funding Target may reflect the value of future pay increases on accrued benefits, if applicable.

PPA Discounting Method

The plan sponsor is responsible for making the following decisions with regard to the discounting method:

- Full yield-curve spot rates or a segmented yield-curve of 24-month average rates of corporate bond rates
- If the segmented yield curve is used, the rates as of the month of the valuation may be used or as of a lookback month up to 4 months prior to the valuation date (the full yield curve must use the rates as of the month of the valuation starting in 2010)

For purposes of this valuation, the following discounting method was used and is assumed to be approved by the plan sponsor:

- Rates for the month of September preceding the valuation date
- Segment Rates

Asset Valuation Method

The Plan Assets for purposes of this Actuarial Valuation are valued at their fair market value, including, if applicable, discounted receivable contributions.

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Actuarial Assumptions

Economic Assumptions

<u>PPA Segment Rates</u>	<u>Funding Target</u>
- Segment 1: Up to Year 5	3.61%
- Segment 2: Years 5-20	6.20%
- Segment 3: Years 20+	6.53%

Annual rates of increase:

- Salaries	N/A
- Future Social Security wage bases	N/A
- Statutory limits on compensation and benefits	N/A

Demographic Assumptions

Mortality:

- Funding Target / PBGC IRS 2010 Static Mortality Table

Termination:

Graduated Rates (see table below for sample rates):

<u>Age</u>	Probability of Termination					
	<u>Years of Service</u>					
	0	1	2	3	4	>=5
25	0.188	0.140	0.118	0.094	0.070	0.046
40	0.088	0.066	0.056	0.044	0.034	0.022
55	0.032	0.024	0.020	0.016	0.012	0.008

Disability:

Graduated Rates (see table below for sample rates):

<u>Age</u>	<u>Percentage of Participants Expected to Become Disabled in the Next Year</u>
25	0.0000%
30	0.0150%
35	0.0175%
40	0.0275%
45	0.0550%
50	0.1150%
55	0.2550%
60	0.4050%

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Actuarial Assumptions

Assumed Retirement Age: The assumed retirement date is contingent upon attainment of age 65 or age at the valuation date if later.

Miscellaneous Assumptions

Form of Payment: 100% of active participants are assumed to elect and receive benefits in lump sum payment equal to the actuarial lump sum value of annuity benefits determined using mortality rates and interest rates required under the Pension Protection Act of 2006.

Expenses: Equal to prior year's actual expenses.

Percent Married: 100%

Spouse's Age: Wives assumed to be 3 years younger than husbands

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

Effective Dates:	Original Plan: October 18, 1961
Eligibility Requirements:	Each Non-union Employee becomes a participant on the first of the month following date of hire. Effective May 31, 2007, the Plan is frozen to new participants.
Credited Service:	<p>Prior to October 1, 1976, an employee will receive credit for all full calendar years and completed months of continuous employment.</p> <p>After September 30, 1976, an employee will receive credit for each Year of Service (a plan year during which the Employee completes 1,000 or more Hours of Service.)</p> <p>Effective May 31, 2007 the Plan is frozen. No further service will be accrued.</p>
Compensation:	<p>Compensation is the total compensation received by the participant for the prior plan year, including any amount deferred under a qualified 401(k), 403(b), or 125 plan. Excluded are amounts for other fringe benefits, moving expenses, automobile allowances, and taxable values of employer paid group term life insurance.</p>
Average Plan Compensation:	<p>After December 31, 2005: The average of the highest consecutive five years of Compensation in the last ten calendar years of service, but not less than the value calculated under the Plan's provisions in effect at December 31, 2005.</p> <p>Before January 1, 2006: The average of the highest consecutive 60 calendar months of compensation during the last 120 months of service.</p> <p>Effective May 31, 2007 benefit accruals were frozen; compensation after that date is not considered.</p>

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

Accrued Benefit: Monthly lifetime annuity payable commencing at the participant's Normal Retirement Date based on the Normal retirement benefit formula using Credited Service and Average Plan Compensation at date of determination, or May 31, 2007 if earlier.

Vesting: All Participants shall be vested according to the following schedule:

<u>Years of Service</u>	<u>Percent Vested</u>
0	0
1	0
2	0
3	0
4	0
5 +	100

Vested Benefit: The vested benefit shall be the vested portion of the Accrued Benefit as of the date of determination.

Normal Retirement Date: First of the month coincident with or next following attained age 65.

Normal Retirement Benefit: The amount of Monthly Retirement Benefit payable as a life annuity is calculated as $1/12^{\text{th}}$ of the greatest of a, b, c and d where:

a) 0.9% of Average Plan Compensation multiplied by Credited Service, plus

0.6% of the excess, if any, of Average Plan Compensation over Covered Compensation multiplied by Credited Service limited to 43, 39, or 36 years if the participant's Social Security retirement Age is 65, 66, or 67, respectively.

b) \$240 time years of Credited Service

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

- c) The annual benefit under the Plan provisions in effect at October 1, 1981 without recognition of compensation increases after September 1, 1981.
- d) The Accrued benefit earned under the Plan in effect at September 30, 1989

Covered compensation is the average of Social Security Taxable Wage Base for the 35-year period ending at the participant's Social Security retirement age.

Effective May 31, 2007, the Plan is frozen; no further benefit will be accrued.

Delayed Retirement:

Eligibility is the first of the month on or next following the actual date the participant terminates employment after Normal Retirement Date. The Benefit is the greater of the Accrued Benefit as of the actual retirement date or, if greater, the Actuarial Equivalent of Normal Retirement Benefit.

Early Retirement:

Eligibility

Eligibility is contingent upon the attainment of Age 60 and completion of 5 Years of Vesting Service.

Benefit

A participant may retire on the first day of any month following attainment of eligibility. The amount of the monthly Early Retirement Benefit is the Participant's Accrued Benefit reduced to reflect the early commencement of payments. The reduction is 1/180 for each of the first 60 months and actuarially thereafter by which the benefit commences prior to Normal Retirement Date.

Disability Retirement:

Eligibility

First day of the seventh month from date of termination of service, by reason of total and permanent disability as defined by the Social Security Administration.

Benefit

Accrued Benefit as of the Disability Retirement Date, without reduction for early commencement.

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Summary of Plan Provisions

Death Benefit:

Eligibility

Eligibility is contingent upon the vesting date.

Benefit

If there is no Surviving Eligible Spouse, there is no benefit to be paid. Monthly Benefit to Surviving Spouse is the 50% Qualified Survivor Annuity. The date of payment is the Participant's Earliest Retirement Date.

Post-Retirement Death Benefits:

Post-retirement Death Benefits are dependent upon the form of payment selected.

Methods of Payments:

Under the Normal Form of Payment, a Participant's retirement benefit is payable as a monthly annuity for life, without further payments after death. A Participant may elect to receive the benefit under one of the following Actuarially Equivalent optional modes:

A reduced benefit is paid to the Participant for life, with 100%, 75% or 50% of such benefit continued after death for the subsequent lifetime of the designated contingent annuitant.

A reduced benefit is paid to the Participant for life, with 60, 120, or 180 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a beneficiary until 60, 120 or 180 payments have been paid.

The actuarial equivalent Lump Sum value of the Accrued Benefit.

Unless the Participant has elected an option above, it is automatically assumed that a married Participant has elected an Actuarially Equivalent Joint and Survivor Option with one-half of the initial amount continued to the surviving spouse as contingent annuitant.

ATTACHMENT TO 2010 SCHEDULE SB (FORM 5500)

Penn Fishing Tackle Manufacturing Company Pension Plan

EIN/PN: 95-2077125/008

Item 26--Schedule of Active Participant Data

YEARS OF CREDITED SERVICE

	0	9	19	6	12	18	7	4	3	2	80
Under 25	0	0	1	0	0	0	0	0	0	0	1
25 to 29	0	1	0	0	0	0	0	0	0	0	1
30 to 34	0	0	1	0	0	0	0	0	0	0	1
35 to 39	0	1	1	1	1	0	0	0	0	0	4
40 to 44	0	3	2	0	2	1	0	0	0	0	8
45 to 49	0	2	6	0	1	2	3	1	0	0	15
50 to 54	0	1	3	2	4	6	3	1	1	0	21
55 to 59	0	0	3	1	2	3	1	1	1	1	13
60 to 64	0	1	2	2	1	6	0	0	1	1	14
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	1	0	0	1	0	0	2
	0	9	19	6	12	18	7	4	3	2	80

Attachment to 2010 Form 5500

Schedule SB, Line 32 – Schedule of Amortization Basis

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Development of Shortfall Amortization Charge

1.	1st segment rate	3.61%
	2nd segment rate	6.20%
2.	Funding target	\$3,037,628
3.	Adjusted plan assets	
(a)	Actuarial assets	2,430,103
(b)	Funding Standard Carryover Balance	0
(c)	Prefunding Balance (PFB)	0
(d)	Adjusted assets: (a)-(b)-(c), not less than 0	2,430,103
4.	Funding shortfall: (2)-(3)(d), not less than 0	607,525
5.	Current shortfall amortization installments	
(a)	Annual installments	
(i)	Year -1 base (6 years remaining)	35,294
(ii)	Year -2 base (5 years remaining)	42,760
(iii)	Year -3 base (4 years remaining)	0
(iv)	Year -4 base (3 years remaining)	0
(v)	Year -5 base (2 years remaining)	0
(vi)	Year -6 base (1 years remaining)	0
(b)	Total annual installments	78,054
(c)	Present value of annual installments	
(i)	Year -1 base (6 years remaining)	190,720
(ii)	Year -2 base (5 years remaining)	199,412
(iii)	Year -3 base (4 years remaining)	0
(iv)	Year -4 base (3 years remaining)	0
(v)	Year -5 base (2 years remaining)	0
(vi)	Year -6 base (1 years remaining)	0
(d)	Total present value of annual installments	390,132
6.	Exemption from new shortfall amortization base	
(a)	Target liability percentage	96.00%
(b)	Shortfall funding target: (2)x(a)	2,916,123
(c)	Prefunding Balance if used to reduce the Minimum Required Contribution, else 0	0
(d)	Exempt?: [(3)(a)-(c)]>=(b)	No

Attachment to 2010 Form 5500

Schedule SB, Line 32 – Schedule of Amortization Basis

Plan Name Penn Fishing Tackle Manufacturing Company Pension Plan
Plan Sponsor's Name K2 Inc.

EIN: 95-2077125
PN: 008

Development of Shortfall Amortization Charge

7.	Shortfall amortization base	
(a)	Adjusted funding shortfall: (6)(b)-(3)(d), not less than 0	486,020
(b)	New current year base: (a)-(5)(d), or 0 if exempt	95,888
(c)	New 7-year installment amount	15,717
8.	Shortfall amortization charge: (5)(b)+(7)(c), not less than 0	\$93,771

**Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan**

EIN 95-2077125 PN 008

Accountants' Report and Financial Statements
September 30, 2011 and 2010

Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan
September 30, 2011 and 2010

Contents

Independent Accountants' Report.....	1
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Financial Statements

Statements of Net Assets Available for Benefits.....	2
Statements of Changes in Net Assets Available for Benefits.....	3
Notes to Financial Statements	4

Supplemental Schedules

Schedule H, Line 4i - Schedule of Assets (Held at End of Year).....	15
Schedule H, Line 4j - Schedule of Reportable Transactions	16

Independent Accountants' Report

Plan Administrator
Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan
Boca Raton, Florida

We were engaged to audit the accompanying statements of net assets available for benefits of Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan as of September 30, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedules. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the Plan Administrator instructed us not to perform, and we did not perform, auditing procedures with respect to the information summarized in Note 3, which was certified by New York Life Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of and for the years ended September 30, 2011 and 2010, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*. Because of the significance of the matter described above, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*.

BKD, LLP

Indianapolis, Indiana
May 31, 2012

Federal Employer Identification Number: 44-0160260

Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan
Statements of Net Assets Available for Benefits
September 30, 2011 and 2010

Assets

	<u>2011</u>	<u>2010</u>
Investments , at fair value	\$ 2,206,489	\$ 2,251,290
Employer Contribution Receivable	324,742	178,489
Cash	<u>5,696</u>	<u>5,636</u>
Total assets	2,536,927	2,435,415

Liabilities

Accrued expenses	<u>9,591</u>	<u>35,988</u>
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Net Assets Available for Benefits

<u>\$ 2,527,336</u>	<u>\$ 2,399,427</u>
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Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Statements of Changes in Net Assets Available for Benefits Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 24,706	\$ 186,108
Interest and dividends	109,617	42,408
Other income	2,051	133
	<u>136,374</u>	<u>228,649</u>
Employer contributions	<u>1,918,571</u>	<u>210,559</u>
Total additions	<u>2,054,945</u>	<u>439,208</u>
Deductions		
Benefits paid to participants	1,816,368	476,942
Administrative expenses	<u>110,668</u>	<u>87,880</u>
Total deductions	<u>1,927,036</u>	<u>564,822</u>
Net Increase (Decrease)	127,909	(125,614)
Net Assets Available for Benefits, Beginning of Year	<u>2,399,427</u>	<u>2,525,041</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 2,527,336</u></u>	<u><u>\$ 2,399,427</u></u>

Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan

**Notes to Financial Statements
September 30, 2011 and 2010**

Note 1: Description of the Plan

The following description of the Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan (Plan) provides only general information. Additional information about the vesting and benefit provisions and the Pension Benefit Guarantee Corporation's (PBGC) benefit guarantee is contained in the Plan Document and *Summary Plan Description*, which are available from the Plan Administrator.

General

The Plan is a noncontributory defined-benefit plan covering all eligible employees of the Plan Sponsor, Penn Fishing Tackle Manufacturing Company (Company). Union employees and individuals classified as sales representatives and special consultants are excluded from Plan participation. On January 16, 2007, the Company was purchased by K2 Inc. (K2). All powers delegated to the Company by the Plan were transferred to K2 on that date. During 2007, the Employer was acquired by Jarden Corporation, which resulted in a change of ownership of the Plan Sponsor.

The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). New York Life Trust Company is the trustee of the Plan.

Effective May 31, 2007, the Plan was amended to cease participation in the Plan and suspend further benefit accruals.

Contributions

Company contributions are the amounts that are necessary to provide assets sufficient to meet the benefits to be paid to Plan members. Based upon the actuarial valuation as of October 1, 2010, the current rate of contributions should be sufficient to meet current service cost and to fund the past service costs plus interest thereon. The Plan has met the minimum funding requirements established by the federal government.

Pension Benefits

Benefits under the Plan are based on employees' average compensation for five years nearest retirement. Normal retirement age for Plan benefits is 65 with five years of service. Participants may elect to receive reduced benefits upon early retirement at age 60, provided that they have at least five years of service with the Company. Accrued benefits are payable as an annuity over the participant's lifetime or as a qualified joint and one-half survivor annuity. Participants may elect to receive the portion of the accrued benefits attributable to the participant's contributions in the form of a lump-sum payment.

Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan

Notes to Financial Statements September 30, 2011 and 2010

Death and Disability Benefits

The spouse of a participant will receive a 50% survivor annuity, as defined in the Plan, upon the death of the participant with five years of service. The surviving spouse annuity is equal to 50% of the participant's monthly benefit. This benefit is immediately payable to the spouse if the participant was already receiving benefits. If the participant was not already receiving benefits, payments to the spouse may commence as of the earliest date the participant would have received benefits. Employees who become totally and permanently disabled after completion of five years of service are entitled to receive monthly pension benefits, as defined in the Plan.

Vesting

Eligible employees are fully vested upon completion of five years of qualifying service.

Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (A) Benefits attributable to employee contributions, taking into account those paid out before termination.
- (B) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.
- (C) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed below.
- (D) Vested benefits not insured by the PBGC.
- (E) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Notes to Financial Statements
September 30, 2011 and 2010

Note 2: Summary of Significant Accounting Policies

Method of Accounting

The accompanying financial statements are prepared on the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end. The collective investment fund is valued based on information reported by the investment advisor using the audited financial statements of the collective investment fund at year end. Money market mutual funds are valued at cost, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Accumulated Plan Benefits

Accumulated plan benefits (see Note 5) are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries.
- b. Present employees or their beneficiaries.

Benefit payments to participants are reported upon distribution.

Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan

Notes to Financial Statements September 30, 2011 and 2010

Plan Tax Status

The Plan obtained its latest determination letter on February 1, 2012, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and, therefore, not subject to tax. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. With a few exceptions, the Plan is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2008.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Note 3: Investments

The Plan's investments are held by the trustee. The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	2011	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Mutual funds	\$ 25,406	\$ 432,572
Collective investment fund	(700)	272,609
Money market mutual fund	-	1,501,308
	<u>\$ 24,706</u>	<u>\$ 2,206,489</u>

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Notes to Financial Statements
September 30, 2011 and 2010

	2010	
	Net Appreciation in Fair Value During Year	Fair Value at End of Year
Mutual funds	\$ 150,622	\$ 1,814,274
Collective investment fund	23,308	273,308
Money market mutual fund	-	163,708
Hedge fund	12,178	-
	<u>\$ 186,108</u>	<u>\$ 2,251,290</u>

The fair value of individual investments that represented 5% or more of the Plan's assets were as follows:

	2011	2010
Vanguard Long-Term Investmed Grade Inv	\$ 144,599	\$ -
EB DV Global Alpha I Fund	272,609	273,308
MainStay Cash Reserves Fund I	1,501,308	163,708
PIMCO Total Return Institutional	-	192,794
Dodge & Cox International Stock Fund	-	139,890
PIMCO All Asset Fund Institutional	-	291,198
PIMCO Small Cap Stocks Plus	-	182,498
American EuroPacific Growth R5	-	124,559
TIAA-CREF S&P 500 Index Fund	-	682,555
Ridgeworth Seix Floating High Income I	-	200,780

Interest and dividends realized on the Plan's investments for the years ended September 30, 2011 and 2010 were \$109,617 and \$42,408, respectively.

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Notes to Financial Statements
September 30, 2011 and 2010

Note 4: Fair Value of Plan Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. The Level 1 securities held by the Plan include mutual funds and money market mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Level 2 security held by the Plan includes a collective investment fund. The collective investment fund invests in investments that pursue multiple strategies to exceed the performance of certain industrial averages. The funds may invest in securities, a combination of other collective funds, or swap and option contracts. The net asset value of the fund is determined as of the end of each month utilizing the values of the underlying assets. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There are no Level 3 securities held by the Plan.

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Notes to Financial Statements September 30, 2011 and 2010

The following tables present the fair value measurements of assets recognized in the accompanying statement of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2011 and 2010:

2011				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Domestic	\$ 83,364	\$ 83,364	\$ -	\$ -
International	24,785	24,785	-	-
Fixed income - investment grade	274,036	274,036	-	-
Fixed income - high-yield	50,387	50,387	-	-
	<u>432,572</u>	<u>432,572</u>	<u>-</u>	<u>-</u>
Collective investment fund	272,609	-	272,609	-
Money market mutual fund	1,501,308	1,501,308	-	-
	<u>\$ 2,206,489</u>	<u>\$ 1,933,880</u>	<u>\$ 272,609</u>	<u>\$ -</u>

2010				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Domestic	\$ 865,053	\$ 865,053	\$ -	\$ -
International	264,449	264,449	-	-
Fixed income - investment grade	483,992	483,992	-	-
Fixed income - high-yield	200,780	200,780	-	-
	<u>1,814,274</u>	<u>1,814,274</u>	<u>-</u>	<u>-</u>
Collective investment fund	273,308	-	273,308	-
Money market mutual fund	163,708	163,708	-	-
	<u>\$ 2,251,290</u>	<u>\$ 1,977,982</u>	<u>\$ 273,308</u>	<u>\$ -</u>

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Notes to Financial Statements
September 30, 2011 and 2010

Note 5: Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits was determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information as of October 1, 2010 and 2009 was as follows:

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 444,206	\$ 527,504
Other participants	2,493,568	2,646,218
	<u>2,937,774</u>	<u>3,173,722</u>
Nonvested benefits	<u>20,387</u>	<u>31,936</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 2,958,161</u></u>	<u><u>\$ 3,205,658</u></u>

Changes in the actuarial present value of accumulated plan benefits were as follows:

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits, beginning of year	<u>\$ 3,205,658</u>	<u>\$ 3,992,709</u>
Increase (decrease) during the year attributable to plan amendment		
Change in actuarial assumptions (mortality basis)	2,407	2,946
Benefits accumulated (net of actuarial gain)	19,053	259,602
Increase for interest due to the decrease in the discount period	207,985	232,431
Benefits paid	<u>(476,942)</u>	<u>(1,282,030)</u>
Net decrease	<u>(247,497)</u>	<u>(787,051)</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 2,958,161</u></u>	<u><u>\$ 3,205,658</u></u>

Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan

Notes to Financial Statements September 30, 2011 and 2010

Significant assumptions underlying the actuarial computations are:

- Assumed rate of return on investments: 7.0%
- Mortality basis: IRS 2010 Static Mortality Table for 2010
IRS 2009 Static Mortality Table for 2009
- Retirement: At normal retirement age 65 or age at the valuation date if later
- Form of payment: Lump-sum payment

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. It is at least reasonably possible that the actuarial assumptions used to calculate accumulated plan benefits will change in the near term, and that the effect of such change could be significant.

Note 6: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association, or relatives of such persons.

Trust services paid by the Plan to the trustees were \$31,392 and \$19,256 for 2011 and 2010, respectively. PBGC premiums paid were \$13,407 and \$13,639 for 2011 and 2010, respectively. In addition, other administrative and actuarial fees paid during 2011 and 2010 totaled \$65,869 and \$54,985, respectively.

The Company provides certain administrative services at no cost to the Plan.

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at September 30, 2011 and 2010, to Form 5500:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 2,527,336	\$ 2,399,427
Accounts payable not accrued on Form 5500	<u>9,591</u>	<u>35,988</u>
Net assets available for benefits per Form 5500	<u><u>\$ 2,536,927</u></u>	<u><u>\$ 2,435,415</u></u>

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

Notes to Financial Statements September 30, 2011 and 2010

The following is a reconciliation of additions per the financial statements for the years ended September 30, 2011 and 2010, to Form 5500:

	<u>2010</u>
Total additions per the financial statements	\$ 439,208
Add: Prior year accounts receivable	<u>9,026</u>
Additions per the Form 5500	<u><u>\$ 448,234</u></u>

The following is a reconciliation of administrative expenses per the financial statements for the years ended September 30, 2011 and 2010, to Form 5500:

	<u>2011</u>	<u>2010</u>
Administrative expenses per the financial statements	\$ 110,668	\$ 87,880
Less: Administrative expenses accrued at end of year	9,591	35,988
Add: Administrative expenses accrued at beginning of year	<u>35,988</u>	<u>7,206</u>
Administrative expenses per the Form 5500	<u><u>\$ 137,065</u></u>	<u><u>\$ 59,098</u></u>

Certain amounts recorded on the September 30, 2011 Form 5500 are classified differently than the accompanying financial statements. The total difference is \$1,913 and affects other income and benefits paid to participants.

Note 8: Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Penn Fishing Tackle Manufacturing Company Amended and Restated Pension Plan

Notes to Financial Statements September 30, 2011 and 2010

Corrective Distributions

During 2005, an actuarial firm discovered two Amendments to the Plan which disproportionately favored highly compensated employees and could affect the Plan's qualified status. The Plan's correction method was to provide similar benefits to certain non-highly compensated employees under similar circumstances. The Plan entered the IRS's Employee Plans Compliance Resolution System Voluntary Correction Program and has calculated the cost of additional benefits to be paid to affected participants. The Plan Sponsor contributed \$1,492,000 during fiscal year 2011 to the Plan to correct the affected participants during 2011. The participants affected by the correction have received a total of \$1,413,742 in distributions from the Plan during fiscal year 2011.

Current Economic Condition

The current protracted economic decline continues to present pension plans with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments. The financial statements have been prepared using values and information currently available to the Plan.

Given the volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

Note 9: Subsequent Events

Effective January 1, 2012, the Plan assets were transferred into the Jarden Consolidated Pension Plan.

Plan subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

Supplemental Schedules

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

EIN 95-2077125 PN 008

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
September 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Mutual Funds			
Dodge & Cox International Stock Fund	400 shares	\$ 12,333	\$ 11,526
PIMCO Total Return Institutional	5,443 shares	57,115	58,727
PIMCO All Asset Fund Institutional	6,149 shares	72,690	70,710
PIMCO Small Cap Stocks Plus	3,177 shares	21,091	18,868
American EuroPacific Growth R5	387 shares	16,158	13,259
TIAA-CREF S&P 500 Index Fund	5,011 shares	63,645	64,496
Ridgeworth Seix Floating High Income I	5,935 shares	51,582	50,387
Vanguard Long-Term Investmed Grade Inv	14,066 shares	130,334	144,599
		424,948	432,572
Collective Investment Fund			
EB DV Global Alpha I Fund	272,609 shares	272,609	272,609
Money Market Mutual Fund			
MainStay Cash Reserves Fund I	1,501,308 shares	1,501,308	1,501,308
		\$ 2,198,865	\$ 2,206,489

Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan
EIN 95-2077125 PN 008
Schedule H, Line 4j - Schedule of Reportable Transactions
(Transactions in Excess of 5% of Plan Assets at Beginning of Year)
Year Ended September 30, 2011

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Issuer	MainStay Cash Reserves Fund I					
	Purchases	\$ 1,541,958		\$ 1,541,958	\$ 1,541,958	
	Sales		\$ 204,358	204,358	204,358	\$ -
Issuer	Dodge & Cox International Stock Fund					
	Purchases	21,086		21,086	21,086	
	Sales		142,834	133,753	142,834	9,081
Issuer	PIMCO Total Return Institutional					
	Purchases	36,332		36,332	36,332	
	Sales		160,688	152,103	160,688	8,585
Issuer	PIMCO All Asset Fund Institutional					
	Purchases	54,616		54,616	54,616	
	Sales		267,814	255,361	267,814	12,453
Issuer	PIMCO Small Cap Stocks Plus					
	Purchases	56,064		56,064	56,064	
	Sales		196,397	190,444	196,397	5,953
Issuer	American EuroPacific Growth R5					
	Purchases	18,785		18,785	18,785	
	Sales		124,980	133,098	124,980	(8,118)

Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan

EIN 95-2077125 PN 008

Schedule H, Line 4j - Schedule of Reportable Transactions (Continued)
(Transactions in Excess of 5% of Plan Assets at Beginning of Year)
Year Ended September 30, 2011

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Issuer	TIAA-CREF S&P 500 Index Fund Purchases Sales	\$ 58,929	\$ 721,377	\$ 58,929 645,284	\$ 58,929 721,377	\$ 76,093
Issuer	Ridgeworth Seix Floating High Income I Purchases Sales	34,509	178,543	34,509 180,122	34,509 178,543	(1,579)
Issuer	Vanguard Long-Term Investmed Grade Inv Purchases Sales	462,287	357,085	462,287 331,953	462,287 357,085	25,132

Supplemental Schedules

Penn Fishing Tackle Manufacturing Company

Amended and Restated Pension Plan

EIN 95-2077125 PN 008

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
September 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Mutual Funds			
Dodge & Cox International Stock Fund	400 shares	\$ 12,333	\$ 11,526
PIMCO Total Return Institutional	5,443 shares	57,115	58,727
PIMCO All Asset Fund Institutional	6,149 shares	72,690	70,710
PIMCO Small Cap Stocks Plus	3,177 shares	21,091	18,868
American EuroPacific Growth R5	387 shares	16,158	13,259
TIAA-CREF S&P 500 Index Fund	5,011 shares	63,645	64,496
Ridgeworth Seix Floating High Income I	5,935 shares	51,582	50,387
Vanguard Long-Term Investmed Grade Inv	14,066 shares	130,334	144,599
		424,948	432,572
Collective Investment Fund			
EB DV Global Alpha I Fund	272,609 shares	272,609	272,609
Money Market Mutual Fund			
MainStay Cash Reserves Fund I	1,501,308 shares	1,501,308	1,501,308
		\$ 2,198,865	\$ 2,206,489

Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan
EIN 95-2077125 PN 008
Schedule H, Line 4j - Schedule of Reportable Transactions
(Transactions in Excess of 5% of Plan Assets at Beginning of Year)
Year Ended September 30, 2011

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Issuer	MainStay Cash Reserves Fund I					
	Purchases	\$ 1,541,958		\$ 1,541,958	\$ 1,541,958	
	Sales		\$ 204,358	204,358	204,358	\$ -
Issuer	Dodge & Cox International Stock Fund					
	Purchases	21,086		21,086	21,086	
	Sales		142,834	133,753	142,834	9,081
Issuer	PIMCO Total Return Institutional					
	Purchases	36,332		36,332	36,332	
	Sales		160,688	152,103	160,688	8,585
Issuer	PIMCO All Asset Fund Institutional					
	Purchases	54,616		54,616	54,616	
	Sales		267,814	255,361	267,814	12,453
Issuer	PIMCO Small Cap Stocks Plus					
	Purchases	56,064		56,064	56,064	
	Sales		196,397	190,444	196,397	5,953
Issuer	American EuroPacific Growth R5					
	Purchases	18,785		18,785	18,785	
	Sales		124,980	133,098	124,980	(8,118)

Penn Fishing Tackle Manufacturing Company
Amended and Restated Pension Plan

EIN 95-2077125 PN 008

Schedule H, Line 4j - Schedule of Reportable Transactions (Continued)
(Transactions in Excess of 5% of Plan Assets at Beginning of Year)
Year Ended September 30, 2011

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Issuer	TIAA-CREF S&P 500 Index Fund					
	Purchases	\$ 58,929		\$ 58,929	\$ 58,929	
	Sales		\$ 721,377	645,284	721,377	\$ 76,093
Issuer	Ridgeworth Seix Floating High Income I					
	Purchases	34,509		34,509	34,509	
	Sales		178,543	180,122	178,543	(1,579)
Issuer	Vanguard Long-Term Investmed Grade Inv					
	Purchases	462,287		462,287	462,287	
	Sales		357,085	331,953	357,085	25,132

Plan Name	<u>Penn Fishing Tackle Manufacturing Company Pension Plan</u>
Plan Sponsor's Name	K2 Inc.

PN: 008

[illegible]