

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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 4, 2023



TransAct Technologies Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

0-21121
(Commission file number)

06-1456680
(I.R.S. employer identification no.)

One Hamden Center
2319 Whitney Ave, Suite 3B, Hamden, CT
(Address of principal executive offices)

06518
(Zip Code)

Registrant's telephone number, including area code: (203) 859-6800

(Former Name or Former Address, if Changed Since Last Report): Not applicable.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$.01 per share	TACT	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

Emerging Growth Company

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

EXPLANATORY NOTE

This Amendment No. 1 (this “Amendment”) amends the Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on April 5, 2023 (the “Original Report”) by TransAct Technologies Incorporated (the “Company”), to describe the separation agreement entered into with Bart C. Shuldman, its former Chief Executive Officer, and the letter agreement entered into with its interim Chief Executive Officer, John M. Dillon, and to file such agreements as exhibits.

The complete text of Item 5.02, as amended, is set forth below. This Amendment does not amend, update, or change any other disclosure contained in the Original Report.

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

Departure of Chief Executive Officer

On April 5, 2023, TransAct Technologies Incorporated (the “Company”) announced that on April 4, 2023 (the “Departure Date”), Bart C. Shuldman had stepped down as the Company’s Chief Executive Officer and as a director of the Company, effective immediately (the “Effective Time”). Mr. Shuldman’s resignation as director is not due to any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

In connection with Mr. Shuldman’s departure, the Company and Mr. Shuldman entered into a Separation Agreement and General Release, dated April 20, 2023 (the “Separation Agreement”). The Separation Agreement will become effective on April 28, 2023 if it is not revoked by Mr. Shuldman in writing on or before April 27, 2023. The Separation Agreement, in exchange for a release of claims and other agreements, acknowledgements and representations of Mr. Shuldman set forth therein, provides for the payment of the following severance benefits following the Departure Date that are generally consistent with the severance benefits provided for in connection with a termination without cause under Mr. Shuldman’s Amended and Restated Employment Agreement, dated as of December 14, 2022, which was previously filed with the SEC: (i) payment, in accordance with the Company’s regular payroll practices, of Mr. Shuldman’s base salary for a period of two years following the Departure Date at his final base rate of \$595,801 per year; (ii) \$115,079 paid in equal installments over a one-year period in accordance with the Company’s regular payroll practices, representing a pro-rated bonus for 2023 based on Mr. Shuldman’s annual bonus target of \$446,851 (75% of base salary); and (iii) if Mr. Shuldman timely elects to continue his group health insurance pursuant to COBRA, reimbursement on an after-tax basis of Mr. Shuldman’s health insurance COBRA premiums for continuing his health care coverage and the coverage of his dependents who were covered as of his departure date for a period of 18 months or until Mr. Shuldman becomes eligible for another employer’s group health plan during such 18-month period. In addition, the Severance Agreement provides that (i) the Company will reimburse Mr. Shuldman up to an aggregate of \$50,000 for the cost of his existing life insurance policy through the end of the term of such policy; (ii) any vested options held by Mr. Shuldman as of the Departure Date will remain exercisable for two years thereafter; and (iii) the Company will continue to pay for Mr. Shuldman’s required SEC filings in connection with his ownership of Company securities for a period of two years following execution of the Separation Agreement. In accordance with the terms of the Company’s 2014 Equity Incentive Plan, as amended and restated, and the related award agreements, all unvested equity awards held by Mr. Shuldman were forfeited as of the Departure Date.

The foregoing description of the Separation Agreement is a summary and is qualified in its entirety by reference to the complete terms of such agreement, which is filed herewith as Exhibit 10.1 and incorporated by reference herein.

The Board of Directors of the Company (the “Board”) reduced its size from seven to six directors, effective at the Effective Time, eliminating the vacancy created by Mr. Shuldman’s departure.

Appointment of Interim Chief Executive Officer

On April 4, 2023, the Board appointed John M. Dillon, a Board member, to serve as interim Chief Executive Officer of the Company, effective as of the Effective Time. In this capacity, Mr. Dillon will serve as the Company's principal executive officer. Mr. Dillon will continue to serve on the Board but has stepped down from his position as Audit Committee chair and from his membership on each of the committees of the Board. The Board has elected Emanuel P. N. Hilario to replace Mr. Dillon as chair of the Audit Committee, effective as of the Effective Time. Given Mr. Hilario's new responsibilities as Audit Committee chair, effective as of the Effective Time, the Board elected Randall Friedman to replace Mr. Hilario as Chair of the Compensation Committee and Haydee Ortiz Olinger to replace Mr. Friedman as chair of the Nominating and Corporate Governance Committee.

Mr. Dillon, 73, has served as a director of the Company since 2011. Mr. Dillon has been the Chairman of the Board of Directors of Aerospike, the world's first flash-optimized database and the fastest database at scale, since January 2022 and served as CEO of Aerospike from January 2015 to January 2022. Prior to joining Aerospike, Mr. Dillon served as CEO of Engine Yard, Inc., the leading cloud platform for automating and developing Ruby on Rails and PHP applications, from 2009 to 2014. He served as CEO for Navis, Inc., a private company specializing in software systems for operating large marine container terminals and distribution centers, from 2002 to 2008. Before Navis, he also served as CEO for Salesforce.com and President and CEO of Hyperion Solutions. He began his career as a Systems Engineer for EDS (Electronic Data Systems) and then moved into a variety of sales management positions for various high-tech companies, including Oracle Corporation. Mr. Dillon holds a Bachelor's degree in Engineering from the United States Naval Academy and an MBA from Golden Gate University. He served on active duty in the nuclear submarine service for five years before beginning his civilian career.

There is no arrangement or understanding between Mr. Dillon and any other person pursuant to which Mr. Dillon has been appointed as interim Chief Executive Officer. There are no family relationships between Mr. Dillon and any of the Company's other directors or executive officers, and Mr. Dillon is not a party to any transaction, or any proposed transaction, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

In connection with Mr. Dillon's appointment as interim Chief Executive Officer, the Company and Mr. Dillon entered into a letter agreement, dated April 24, 2023 (the "Interim CEO Agreement"). The Interim CEO Agreement provides for at-will employment effective as of April 4, 2023 and entitles Mr. Dillon to the following compensation and benefits:

- A base salary in the annualized amount of \$600,000;
- Eligibility for a target annual bonus of \$200,000, based on achievement of certain financial and strategic objectives and subject to certain eligibility criteria, pro-rated for the portion of the 2023 fiscal year for which Mr. Dillon serves as interim Chief Executive Officer;
- Eligibility, subject to availability of sufficient shares under the Company's 2014 Equity Incentive Plan, as amended and restated (the "Plan"), and approval of the Compensation Committee of the Board, and on the terms (including vesting terms) and subject to the conditions to be set forth in related award agreements, for a one-time award under the Plan of (a) stock-settled, service-based RSUs valued at \$370,000 on the date of grant under a Black-Scholes valuation model and (b) options to purchase Company common stock valued at \$370,000 on the date of grant under a Black-Scholes valuation; and
- Eligibility to participate in all employee benefit plans, policies and programs of the Company applicable to senior executives, vacation time in accordance with the Company's policies as in effect from time to time, and reimbursement of reasonable and documented business, travel and entertainment expenses incurred in the performance of Mr. Dillon's duties as interim Chief Executive Officer in accordance with the Company's expense reimbursement policy.

In the Interim CEO Agreement, Mr. Dillon has agreed to provide at least 60 days' notice prior to any resignation. Pursuant to the Interim CEO Agreement, Mr. Dillon has agreed to enter into a Confidential Information and Intellectual Property Agreement (the "CIIP Agreement") with the Company, attached as an exhibit to the Interim CEO Agreement, which provides for certain confidentiality, non-competition, non-solicitation and intellectual property assignment covenants). In the event of a termination without cause or due to death or disability before the payment of the annual bonus, Mr. Dillon will be eligible for (i) a pro-rated bonus based on the portion of the period from the Effective Date through December 31, 2023 for which Mr. Dillon was employed as Chief Executive Officer, payable at the time that annual bonuses are paid to other executives and based on a determination made by the Compensation Committee as to whether certain financial performance metrics and performance criteria, if any, were achieved and (ii) if the Company does not waive the non-competition provisions in the CIIP Agreement, payment of 50% of his base salary for the duration of the one-year non-competition period.

The foregoing summary of the Interim CEO Agreement is qualified in its entirety by reference to the full text of the Interim CEO Agreement, which is filed herewith as Exhibit 10.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit	Description
10.1	Separation Agreement and General Release, dated April 20, 2023, between the Company and Bart C. Shuldman
10.2	Letter Agreement, dated April 24, 2023, between the Company and John M. Dillon
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

TRANSACT TECHNOLOGIES INCORPORATED

By: /s/ Steven A. DeMartino
Steven A. DeMartino
President, Chief Financial Officer, Treasurer and Secretary

Date: April 26, 2023

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the “**Agreement**”) confirms the following understandings and agreements between TransAct Technologies Incorporated, a Delaware corporation with a mailing address of One Hamden Center, 2319 Whitney Avenue, Suite 3B, Hamden, CT 06518 (the “**Company**”) and Bart C. Shuldman (“**Executive**”) (the Company and Executive are collectively, the “**Parties**”).

1. (a) Executive’s employment by the Company, whether pursuant to the Amended and Restated Employment Agreement dated December 14, 2022 (the “**Employment Agreement**”) or otherwise, has ended effective April 4, 2023 (the “**Separation Date**”). Executive shall be paid his salary through the Separation Date on the Company’s next regular payday. Executive will also be paid for 47.07 hours of accrued, unused vacation in accordance with Company policy.

(b) Executive acknowledges and agrees that he has resigned from his position as the Chief Executive Officer of the Company and that he has resigned any other officer positions he may hold with the Company. Executive further acknowledges and agrees that he has resigned his Director position with the Company’s Board of Directors (the “**Board**”) and he has resigned any other positions or roles he may hold with respect to the Board. Executive agrees to execute such other documents as the Company or the Board shall reasonably determine to be necessary to effectuate this paragraph.

(c) Executive’s regular coverage under the Company’s group health plan will terminate on April 30, 2023. Thereafter, Executive will be provided an opportunity to continue health coverage for himself and qualifying dependents under the Company’s group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”).

(d) Notwithstanding any other provision of this Agreement, Executive will retain any rights that Executive has to vested benefits under the Company’s 401(k) Plan, subject to the terms and conditions of such plan. In addition, notwithstanding any other provision of this Agreement, the treatment of any outstanding options, restricted stock units and performance share units, whether vested or unvested, shall be subject to the terms and conditions of the applicable award and plan documents, including the Company’s Equity Incentive Plan, and Executive’s separation from the Company shall be deemed to be a termination without Cause with respect to such award and plan documents. Notwithstanding the foregoing, the Company agrees that you may exercise any vested stock options on or prior to the two-year anniversary of the Separation Date, after which time any such vested, unexercised stock options will expire. For the avoidance of doubt, all unvested options, restricted stock units and performance share units were forfeited.

(e) Except as otherwise specifically set forth in this Agreement, after the Termination Date Executive shall no longer be entitled to any further compensation or any monies from the Company or any of its affiliates or to receive any of the benefits made available to Executive during Executive’s employment at the Company. Executive acknowledges and agrees that the Company has paid to Executive all of his wages and that the Company owes Executive no wages, commissions, bonuses, vacation pay, employee benefits, or other compensation or payments of any kind or nature, other than as provided in this Agreement.

2. Provided Executive signs this Agreement on or within 21 days of receiving it, complies with its terms and does not revoke it pursuant to Section 11 below, the Company agrees to the following:

(a) The Company will pay Executive, at Executive's final base salary rate (\$595,801 per year) for two (2) years. Such payments will be made to Executive in accordance with the Company's regular payroll practices (and will be subject to withholdings and deductions), commencing in the payroll period following the Effective Date (as defined below). The first payment will include pay under this paragraph from the day after the Separation Date. In the event that Executive owes the Company any monies, Executive authorizes the Company to offset any such amounts from the payments set forth in this paragraph; and

(b) If Executive timely elects to continue his group health insurance pursuant to COBRA, the Company will reimburse Executive (on an after-tax basis) for all of Executive's health insurance COBRA premiums for continuing his health care coverage and the coverage of his dependents who are covered as of the Separation Date, on a monthly basis, for eighteen (18) months, upon submission of documentation of the expense; provided, however, that the Company's obligation under this Section 2(b) shall cease on the date Executive becomes eligible for coverage under another employer's group health plan. Executive agrees to notify the Company if he becomes eligible for another employer's group health plan within eighteen (18) months following the Separation Date; and

(c) \$115,079, paid in equal installments over a one-year period in accordance with the Company's regular payroll practices (including withholdings and deductions), commencing in the payroll period following the Effective Date (as defined below), which represents a pro-rated bonus for 2023 based on an annual bonus target of \$446,851 (75% of annual base salary). The first payment will include pay under this paragraph from the day after the Separation Date.

(d) The Company shall pay for any SEC filings required to be filed by Executive as a result of his shareholdings in the Company, including, without limitation, any 13G filings, for up to two (2) years following the execution of this Agreement.

(e) You will be permitted to retain your Company-issued laptop and mobile phone (but not the telephone number associated with the mobile phone), provided that you permit the Company to remove all Company files and data (which it may do remotely), and you will be responsible for all cell phone and data service costs, and any other costs, for such equipment after the Separation Date.

(f) The Company shall reimburse Executive for the cost of the existing \$1,000,000 life insurance policy through the end of that policy's term, the year in which Executive reaches the age of 72; provided, however, that the reimbursements under this paragraph shall not exceed \$50,000 in total.

3. (a) As used in this Agreement, the term “**Claims**” shall include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, attorneys' fees, accounts, judgments, losses and liabilities, of whatsoever kind or nature, in law, equity or otherwise.

(b) For and in consideration of the payments set forth in Section 2 above, and other good and valuable consideration, Executive, for and on behalf of himself and his heirs, administrators, executors, and assigns, effective the Effective Date, does fully and forever release, remise and discharge the Company and its direct and indirect parents, subsidiaries and affiliates, together with their respective officers, directors, partners, shareholders, employees and agents (collectively, the “**Group**”) from any and all claims that Executive had, may have had, or now have against the Company or any other member of the Group, for or by reason of any matter, cause or thing whatsoever, including any Claim arising out of or attributable to Executive’s employment or the termination of Executive’s employment with the Company, including but not limited to Claims of breach of contract, wrongful termination, unjust dismissal, defamation, libel or slander, or under any federal, state or local law regarding discrimination based on age, race, sex, national origin, religion, disability, sexual orientation or any other protected category. This release of Claims includes, but is not limited to, all Claims arising under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act, the Fair Labor Standards Act, the Americans with Disabilities Act, the Civil Rights Act of 1991, the Family Medical Leave Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act, the Connecticut Family and Medical Leave Act, the Connecticut Fair Employment Practices Act, the Connecticut Whistleblower Law, the Connecticut Free Speech Law, the Connecticut Minimum Wage and Wage Payment laws, the Florida Civil Human Rights Act, all other federal, state and local labor, anti-discrimination and other laws and regulations and the common law. Notwithstanding the foregoing, the release in this Agreement does not extend to those rights that cannot be waived as a matter of law.

(c) Executive specifically releases all claims against the Group under the Age Discrimination in Employment Act (the “**ADEA**”) relating to Executive’s employment with the Company and its termination.

(d) Executive represents that he has not filed or permitted to be filed against the Group, individually or collectively, any charges, complaints or lawsuits, and Executive covenant and agree that Executive will not file or permit to be filed any lawsuits at any time hereafter with respect to the Claims released pursuant to this Agreement (including, without limitation, any Claims relating to the termination of Executive’s employment), except to challenge the validity of the release of Executive’s rights under the ADEA. Nothing in this Agreement shall be construed to prohibit Executive from filing a charge with or participating in any investigation or proceeding conducted by the Securities and Exchange Commission (the “**SEC**”), the Equal Employment Opportunity Commission (“**EEOC**”) or any other government agency. Notwithstanding the foregoing, Executive agrees to waive his right to recover monetary damages in any charge, complaint, or lawsuit filed by Executive or by anyone else on Executive’s behalf based on Claims released in this Agreement. Except as otherwise provided in this paragraph, Executive will not voluntarily participate in any judicial proceeding of any nature or description against any member of the Group that in any way involves the allegations and facts that Executive could have raised against any member of the Group.

4. Executive is specifically agreeing to the terms of this release because the Company has agreed to pay Executive money to which Executive was not otherwise entitled and has provided such other good and valuable consideration as specified herein. The Company has agreed to provide this money because of Executive’s agreement to accept it in full settlement of all possible claims Executive might have or ever had against any of the Group and because of Executive’s execution of this Agreement.

5. Except as set forth in Section 2(e) with respect to Executive's Company computer and phone, Executive represents and warrants that Executive has returned to the Company or destroyed (to the extent that the Company has copies) all Company property, including without limitation, mailing lists, reports, files, memoranda, records, computer hardware and software, phones, credit cards, door and file keys, computer passwords, and other property that Executive received or prepared or helped prepare in connection with Executive's employment with the Company, and that Executive has not retained any copies, duplicates, reproductions or excerpts thereof.

6. Subject to Section 8 below, this Agreement does not amend, modify, waive or affect in any way the Company's rights or Executive's duties, obligations or restrictions under Section 3(d), 7, 8, 9, 10 (as limited by Section 11), 12, 20 or 21 of the Employment Agreement. In addition, this Agreement does not amend, modify, waive or affect in any way Section 13 of the Employment Agreement. In further consideration of this Agreement, such sections of the Employment Agreement are hereby incorporated by reference and Executive and the Company reaffirm their continuing obligation to abide by all such provisions referenced in this paragraph.

7. Subject to Section 8 below, Executive agrees that he will not encourage or cooperate or otherwise participate or confer with any current or former employee of the Company or any other member of the Group, individually or collectively, or any potential plaintiff, to commence any legal action or make any claim against the Company or any other member of the Group with respect to such person's employment with the Company or its affiliates. Executive will reasonably cooperate with the Company and its counsel in connection with any investigation, administrative proceeding or litigation relating to any matter in which Executive was involved or of which Executive has knowledge as a result of Executive's employment with the Company. The Company will reimburse Executive for any reasonable, pre-approved, out-of-pocket expenses he incurs in connection with any such cooperation.

8. Notwithstanding anything to the contrary, nothing in this Agreement shall prohibit Executive from making truthful statements or disclosures (i) to the SEC, the EEOC, a state division of human rights, a local commission on human rights, any other government or regulatory agency, law enforcement, an attorney retained by Executive, or a court of competent jurisdiction, (ii) as required by subpoena or other lawful process, (iii) as may be necessary for the prosecution of claims relating to the performance or enforcement of this Agreement, or (iv) as otherwise required or protected by applicable law. In addition, for the avoidance of doubt, nothing in this Agreement shall have the purpose or effect of requiring Executive to conceal details relating to a claim of discrimination, retaliation or harassment. Notwithstanding any restrictions set forth in this Agreement, Executive understands that Executive is not required to obtain authorization from the Company prior to disclosing information to, or communicating with, a government agency, nor is Executive obligated to advise the Company as to any such disclosures or communications. In making any such disclosures or communications, however, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information to any parties other than the relevant government agencies. Executive further understands that disclosures permitted by this paragraph do not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this Agreement.

9. The Company shall be entitled to have the provisions of Section 5, 6, 7, and 8 specifically enforced through injunctive relief, without having to prove the adequacy of the available remedies at law, and without being required to post bond or security, it being acknowledged and agreed that such breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company. Moreover, Executive understands and agrees that if Executive breaches any provisions of this Agreement, including but not limited to commencing, joining in or in any other manner attempting to assert any claim released herein, in addition to any other legal or equitable remedy the Company may have, the Company shall be entitled to cease making any payment to Executive under Section 2 above and may recover any payment made to Executive under Section 2 above (except for \$100), and shall be reimbursed by Executive for all reasonable attorneys' fees and costs incurred by it arising out of any such breach. The remedies set forth in this Section 9 shall not apply to any challenge to the validity of the waiver and release of Executive's rights under the ADEA. In the event that Executive challenges the validity of the waiver and release of Executive's rights under the ADEA, then the Company's right to attorneys' fees and costs shall be governed by the provisions of the ADEA, so that the Company may recover such fees and costs if the lawsuit is brought by Executive in bad faith. Any such action permitted to the Company by this paragraph, however, shall not affect or impair any of Executive's obligations under this Agreement, including without limitation, the release of Claims in Section 3 above. Executive further agrees that nothing herein shall preclude the Company from recovering attorneys' fees, costs or any other remedies specifically authorized under applicable law.

10. Executive acknowledges that Executive has read this Agreement in its entirety, fully understands its meaning and are executing this Agreement voluntarily and of Executive's own free will with full knowledge of its significance. Executive acknowledges and warrants that he has had the opportunity to consider for twenty-one (21) days the terms and provisions of this Agreement and that Executive has been advised by the Company to consult with an attorney prior to executing this Agreement. Executive agrees that any changes to the Agreement from the time it was offered to Executive, whether material or immaterial, do not restart the running of the 21-day period. Executive may execute this Agreement prior to the conclusion of the 21-day period, and if he elects to do so, Executive acknowledge that he has done so voluntarily. If Executive does not accept this Agreement as set forth above, this Agreement (including any obligations of the Company to provide the consideration referred to above) shall be deemed null and void.

11. Executive shall have the right to revoke this Agreement for a period of seven (7) days following his execution of this Agreement by giving written notice of such revocation to the Chairperson of the Compensation Committee of the Board of Directors. This Agreement shall not become effective until the eighth day following the Company's receipt of Executive's executed Agreement (the "**Effective Date**"). If Executive does not accept this Agreement as set forth above, or if Executive revokes it in accordance with this paragraph, this Agreement (including any obligations of the Company to provide the consideration referred to above) shall be deemed null and void.

12. In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in this Agreement is held to be excessively broad as to duration, scope, activity or subject, such provisions will be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

13. Nothing herein shall be deemed to constitute an admission of wrongdoing by the Company or any other member of the Group. Neither this Agreement nor any of its terms shall be used as an admission or introduced as evidence as to any issue of law or fact in any proceeding, suit or action, other than an action to enforce this Agreement.

14. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Photographic and electronic copies of such signed counterparts may be used in lieu of the originals of this Agreement for any purpose.

15. The terms of this Agreement and all rights and obligations of the Parties, including its enforcement, shall be interpreted and governed by the laws of the State of Connecticut. Any dispute arising from or related to this Agreement or the interpretation or operation of this Agreement shall be resolved solely in state or federal courts located in the State of Connecticut. The Parties hereby consent to, elect, and waive any objection to the laying of jurisdiction and venue in such courts in the event of litigation under or relating to this Agreement. The Parties further waive their rights to a jury trial and understand any dispute will be tried by a judge.

16. Except as set forth above, the terms contained in this Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, representations or agreements relating thereto whether written or oral, with the exception of any agreements concerning confidentiality, trade secrets, nonsolicitation, nonservicing, noncompetition or other post-employment restrictions, all of which agreements shall remain in full force and effect, and are hereby confirmed and ratified. Executive represents that in executing this Agreement, he has not relied upon any representation or statement not set forth herein. No amendment or modification of this Agreement shall be valid or binding upon the Parties unless in writing and signed by both Parties.

Agreed to and Accepted by:

TransAct Technologies Incorporated

Signed: /s/ Emanuel P.N. Hilario

/s/ Bart C. Shuldman
Bart C. Shuldman

04/20/2023
Date

Print Name: Emanuel P.N. Hilario

Title: Director

Date: 04/20/2023

TRANSACT

Technologies Incorporated

April 24, 2023

John M. Dillon
301 Mission St #47C
San Francisco, CA 94105

Dear John:

We write to set forth our agreement (this “Agreement”) with respect to your employment as the Interim Chief Executive Officer of TransAct Technologies Incorporated (the “Company”).

1. Title/Duties. As of April 4, 2023 (the “Start Date”), you shall serve as the Company’s Interim Chief Executive Officer. You will perform such duties customarily performed by persons situated in similar executive capacities and as may from time to time be assigned to you by the Company’s Board of Directors (the “Board”). You will also remain a member of the Board for so long as you serve as Interim Chief Executive Officer. You agree to serve the Company faithfully, diligently and competently, and to devote your full working time, energy and skill to the Company’s business, provided, that you will be permitted to (i) continue to serve as a member of the public company boards of directors on which you currently serve, and (ii) serve in any capacity with any professional, educational, philanthropic, charitable or community organization, in the case of each of clauses (i) and (ii), so long as such activities are reasonable and customary and do not significantly interfere or conflict with your duties and obligations as the Company’s Interim Chief Executive Officer and are approved in writing by the Board.

2. At-Will Employment. Your employment by the Company is not for any specific term but rather is on an ongoing at-will basis such that either you or the Company may terminate your employment at any time and for any reason. However, your employment is temporary in nature and shall terminate following the hiring of a Chief Executive Officer and at that time will be treated as a termination without Cause, unless terminated sooner pursuant to Paragraph 5 of this Agreement.

3. Compensation.

A. Base Salary. The Company will pay you an annual salary at a rate of \$600,000 per annum, less applicable withholdings for taxes, payable in accordance with the Company’s customary payroll practices from time to time in effect.

B. Bonus. You will be eligible for an annual incentive bonus of \$200,000 under the Company’s annual incentive cash bonus program (the “Annual Bonus”), which shall be pro-rated for the 2023 fiscal year based on your Start Date. You will be eligible to earn 50% of the Annual Bonus based on achievement of certain financial performance metrics (including revenue and EBITDA targets) determined in the sole discretion of the Compensation Committee and 50% of the Annual Bonus based on attainment of objective performance criteria mutually agreed to in writing with the Compensation Committee. The Compensation Committee retains the sole and absolute discretion to determine whether the financial performance metrics and performance criteria have been achieved and also the amount of the Annual Bonus, which may be less than the annual target amount. The Company will pay the Annual Bonus, if any, at the same time such annual bonuses are paid to similarly situated executives of the Company. You must be an active employee in good standing at the time that the Annual Bonus is paid to be eligible for the Annual Bonus, except as otherwise set forth in this Agreement. The Compensation Committee retains the sole and absolute discretion to calculate the Annual Bonus and make all determinations with respect thereto. The Annual Bonus shall not be deemed to be earned until it is certified by the Compensation Committee.

C. **Equity Awards.** You will receive two equity grants granting you: (1) restricted stock units (the “Restricted Stock Unit Award”); and (2) stock options (the “Stock Option Award”). The Restricted Stock Unit Award shall have a value of \$370,000 and the Stock Option Award shall have a value of \$370,000, the value of both of which shall be determined under a Black-Scholes valuation model. The Restricted Stock Unit Award and the Stock Option Award subject to vesting and other terms and conditions under the TransAct Technologies Incorporated 2014 Equity Incentive Plan, as amended and restated and the applicable award agreements to be provided by the Company. Your receipt of the Restricted Stock Unit Award and the Stock Option Award are conditioned upon your execution of the applicable award agreements. The Restricted Stock Unit Award and the Stock Option Award shall not be granted until after stockholder approval of the amended and restated equity plan at the 2023 annual meeting of stockholders and are subject to approval by the Compensation Committee and availability of a sufficient number of shares to make the grants contemplated by this Agreement under such plan.

D. **Clawback Policy.** Any cash or equity awarded to you based on the achievement of financial measures is subject to the Company’s clawback policy, a copy of which has been provided to you and which is subject to amendment or modification from time to time upon the sole and unilateral determination of the Compensation Committee, as well as any applicable clawback or other rules or regulations of the Securities and Exchange Commission, the Nasdaq Stock Market, or any other regulatory body with authority over the Company or any of its businesses.

4. **Benefits.**

A. **Benefits.** You shall be eligible to participate in all employee benefit plans, policies and programs that the Company has or may, from time to time, have in effect, to the extent that such plans apply to similarly situated executives of the Company. Your participation in all employee benefit plans, policies and programs of the Company shall be subject to the terms of the applicable plan documents, generally applicable policies of the Company, applicable law, and the reasonable discretion of the Company or any administrative or other committee provided for in, or contemplated by, any such plan. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish any such plan or to maintain the effectiveness of any such plan which may be in effect from time to time. To the extent there is any conflict between the terms of this Agreement and the applicable benefit plan documents, the terms of the plan documents shall govern.

B. **Reimbursements.** The Company will reimburse you for all reasonable out-of-pocket business, travel and entertainment expenses incurred by you in connection with the performance of your duties hereunder, in accordance with the Company's expense reimbursement policy from time to time in effect.

C. **Vacation.** You will be entitled to take vacations in accordance with the Company's vacation policy from time to time in effect.

5. Termination of Employment.

A. **Resignation by You.** You agree to provide the Company sixty (60) days' notice of resignation for any reason. The Company retains the right to accelerate the notice period with no further obligation to you following a resignation. Following a resignation by you, you shall only be entitled to receive Base Salary and benefits through the date of termination.

B. **Termination by the Company for Cause.** The Company may terminate your employment immediately for Cause (as defined below). Following a termination for Cause, you shall only be entitled to receive Base Salary and benefits through the date of termination.

C. **Termination by the Company without Cause.** The Company may terminate your employment immediately without Cause. The parties understand and agree that your employment will be terminated upon the hire of a new Chief Executive Officer, and that if your employment is terminated for this reason it shall be deemed to be a termination without Cause. In the event the Company terminates your employment without Cause, in addition to receipt of Base Salary and benefits through the date of termination, you shall be eligible for the following subject to your execution without revocation of a release of claims in a form acceptable to the Company:

- (1) if your employment is terminated by the Company without Cause prior to the time the Annual Bonus is paid, the Company agrees to provide you a pro-rated portion of the Annual Bonus based on the amount of time you were employed by the Company during the fiscal year to which the Annual Bonus relates; provided that any Annual Bonus will be payable in the year immediately following the year to which the Annual Bonus relates at the time when other bonuses are paid to similarly situated executives and after the Compensation Committee determines whether the financial performance metrics and performance criteria have been achieved; and
 - (2) the Board will have absolute discretion to determine whether to enforce or waive the Non-Competition Period and corresponding obligations set forth in Paragraph 9(a) of the CIIP (as defined below) and if the Board does enforce such provisions, the Company will pay you 50% of the Base Salary during the Non-Competition Period.
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D. **Definition.** For purposes of this Agreement, “Cause” shall mean a determination by the Board that any of the following has occurred: (1) any action or inaction by you that constitutes larceny, fraud, gross negligence, a willful or negligent misrepresentation to the Board or officers of the Company, its successors or assigns, or a crime involving moral turpitude; (2) your refusal to follow the reasonable and lawful instructions of the Board with respect to the services to be rendered and the manner of rendering such services by you; (3) your commission or conviction of or a plea of guilty or no contest by you of any felony offense, or any misdemeanor offense that adversely affects your ability to carry out the obligations hereunder; (4) your material violation of any laws or regulations to which the Company and/or you are subject, in each case which, in the reasonable judgment of the Board, is reasonably likely to result in, or actually results in material loss, damage or injury to the Company or the Company’s reputation; (5) your material breach of any of your obligations in the CIIA Agreement; or (6) any material violation of the Company’s Code of Conduct.

E. **Termination Upon Death or Disability.** This Agreement and your employment shall terminate upon your death or disability. Following a termination for death or disability, you shall only be entitled to receive Base Salary and benefits through the date of termination. In addition, the Company agrees to provide you a pro-rated portion of the Annual Bonus based on the amount of time you were employed by the Company during the fiscal year to which the Annual Bonus relates; provided that any Annual Bonus will be payable in the year immediately following the year to which the Annual Bonus relates at the time when other bonuses are paid to similarly situated executives and after a calculation of what metrics and goals, if any, were met during the period you worked at the Company. In the event of your disability, any pro-rated Annual Bonus payment shall be subject to your execution without revocation of a release of claims in a form acceptable to the Company. In the event of your death, any payments required under this Agreement shall be payable to your estate. For purposes of this Agreement, “disability” shall mean your inability, due to physical or mental incapacity, to perform at least one of the essential functions of the your job, with or without reasonable accommodation, for (i) 180 days out of any 365-day period or (ii) 120 consecutive days. Any question as to whether you have a “disability” as contemplated by this Agreement shall be made in good faith by a physician selected by the Company.

6. Confidential Information, Intellectual Property and Restrictive Covenant Agreement.

A. As a condition to employment, you agree to the terms of the Confidential Information and Intellectual Property Agreement (the “CIIP Agreement”), attached as Exhibit A. The provisions of the CIIP shall survive the end of your employment hereunder.

7. Miscellaneous.

A. The Company shall pay or reimburse you for your reasonable legal fees incurred in connection with the negotiation of and entry into this Agreement, up to a maximum of \$5,000.

B. To the maximum extent permitted by law, you will be indemnified under the Company’s Certificate of Incorporation and Bylaws while serving as Interim Chief Executive Officer, and you will continue to be covered by the Company’s Directors and Officers liability insurance policies in accordance with their terms.

C. The Company may, at its option and for its benefit, obtain insurance with respect to your death, disability or injury. You agree to submit to such physical examinations and supply such information as may be reasonably required in order to permit the Company to obtain such insurance.

D. Any notice or other communication required or permitted to be given hereunder shall be deemed to have been duly given when personally delivered or when sent by registered mail, return receipt requested, postage prepaid, as follows:

If to the Company, at:

One Hamden Center
2319 Whitney Avenue, Suite 3B
Hamden, Connecticut 06518
Attn: Chairman

If to you, at:

Your home address on file with the Company

Either party hereto may change its or her address for the purpose of this paragraph by written notice similarly given.

E. Neither party hereto may assign its rights or delegate its duties hereunder, except that the Company may assign its rights hereunder to any person that (i) acquires substantially all of the assets of the Company (whether by merger, consolidation, purchase of assets or other acquisition transaction), and (ii) agrees in writing to assume the obligations of the Company hereunder.

F. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Nevada, without regard to principles of conflicts of laws. Nothing in this Agreement shall create, or be deemed to create, any third party beneficiary rights in any person, including, without limitation, any employee of the Company other than you. You agree that all actions or proceedings relating to this Agreement shall be tried and litigated only in the Nevada State or Federal courts. You hereby irrevocably submit to the exclusive jurisdiction of such courts for the purpose of any such action or proceeding.

G. If any provision of this Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be construed as if such provision had been drawn so as not to be invalid or unenforceable.

H. This Agreement sets forth our entire understanding with respect to the subject matter hereof and cannot be changed, waived or terminated except by a writing signed by you and the Company. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. This Agreement shall be binding on the successors and assigns of the Company.

I. Although the Company does not guarantee the particular tax treatment of any payments or benefits paid or provided hereunder, it is the intent of the parties that such payments and benefits comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, our agreement set forth herein shall be interpreted in a manner consistent with such intent. A termination of employment shall not be deemed to have occurred for purposes of any provision providing for payments or benefits that are considered "nonqualified deferred compensation" under Code Section 409A upon or following a termination of employment unless such termination is also a "separation from service" under Code Section 409A. To the extent applicable, if you are deemed on the date of termination to be a "specified employee" (as defined under Code Section 409A(a)(2)(B)), then any payments that are considered "nonqualified deferred compensation" under Code Section 409A ("409A Payments") shall be made as provided herein after the date which is the earlier of (i) the expiration of the six-month period measured from the date of your "separation from service," and (ii) the date of your death (the "Delay Period"). Upon the expiration of the Delay Period, all 409A Payments delayed pursuant to this provision (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to you in a lump sum on the first business day following the end of the Delay Period, and any remaining payments and benefits due hereunder shall be paid in accordance with the normal payment dates specified for them herein. Any right you have hereunder to receive installment payments shall be treated as a right to receive a series of separate and distinct payments.

If the foregoing correctly sets forth your understanding of our agreement, please so indicate by signing and returning to us a copy of this letter.

TRANSACTION TECHNOLOGIES INCORPORATED

By: /s/ Emanuel Hilario

Name: Emanuel Hilario

Chair Compensation

Title: Committee

Accepted and agreed:

/s/ John M. Dillon

John M. Dillon

[Signature page to Interim CEO Employment Agreement]

Exhibit A

Confidential Information and Intellectual Property Agreement
(attached)

**CONFIDENTIAL INFORMATION AND
INTELLECTUAL PROPERTY AGREEMENT**

This Confidential Information and Intellectual Property Agreement (the "CIIP Agreement") is made and entered into as of April 24, 2023, by and between Transact Technologies Inc., a Delaware corporation (the "Company"), and John M. Dillon ("Employee"), effective as of the date set forth below in paragraph 15 ("Effective Date").

WHEREAS, recognizing that the success of the business of the Company, and of its parents, affiliates and subsidiaries, depends, in part, upon (i) the intellectual contributions of its employees, independent contractors, consultants and agents; (ii) intellectual property protection with respect to the services and products developed, sold, or licensed by, or on behalf of, the Company; (iii) the ability of the Company to keep confidential information created and held by the Company so that it may create and maintain a competitive advantage; (iv) the ability establish, maintain and/or sustain its relations and goodwill within its industry, and with those individuals and entities with which it does business; and (v) the ability to hire, train, and retain qualified employees.

NOW, THEREFORE, in consideration of Employee's employment with the Company, and other good and valuable consideration, receipt of which is hereby acknowledged, and the compensation received by Employee from the Company from time to time, Employee hereby agrees as follows:

1. Definition of Proprietary Information. The Company possesses and will in the future possess information that (i) has been, or will be, created, discovered or developed, or (ii) has become or will become otherwise known to the Company (including, without limitation, information created, discovered, developed or made known by or to Employee during the period of or arising out of Employee's employment with the Company), or (iii) in which property rights have been or will be assigned or otherwise conveyed to the Company, or (iv) is confidential information of third parties made available to the Company on a confidential basis, which information has or will have actual or potential economic value in the business in which the Company is engaged. All of the aforementioned information is hereinafter called "Proprietary Information." By way of illustration, but not limitation, "Proprietary Information" includes all information about the Company or any affiliate relating to any of their current or planned products or services or any phase of their operations, trade secrets, investments, trademarks, trade dress, copyrights, patents, copyrightable works, works of authorship, processes, structures, formulae, recipes, product formulations, data, discoveries, designs, ideas, know-how, improvements, inventions, product concepts, techniques, marketing plans, distribution plans, business plans, financial projections, strategies, forecasts, customer lists and information about the Company's employees and/or consultants (including, without limitation, the compensation, job responsibility and job performance of such employees and/or consultants) and any other information pertaining to the Company which Employee knows or has reason to know that the Company would treat as confidential and proprietary for any purpose, such as maintaining a competitive advantage or avoiding undesirable publicity. Proprietary Information shall not include information that is or has become available to the public other than by unauthorized disclosure by Employee.

2. Ownership of Proprietary Information. As between the Company and Employee, all Proprietary Information shall be the sole property of the Company and its assigns, and the Company and its assigns shall be the sole owner of all Intellectual Property rights in the Proprietary Information. For purposes of this CIIP Agreement, “Intellectual Property” includes, but is not limited to, patents (including, without limitation, originals, continuations, continuations-in-part, extensions, foreign applications, domestic applications, utility models, reexaminations and reissues), and the rights to make, use, sell, practice and offer for sale and import under patent law, copyrights and the right to publish, copy, adapt, distribute, transmit, display and perform under copyright law, trademarks, trade dress, trade secrets, recipes, product formulations, and the rights to use and disclose any and all of the same under trade secret law, and other such rights of any type under the laws of any governmental authority, or unfair competition law domestic or foreign, whether now known or hereafter developed, and any applications therefore. Employee hereby assigns to the Company any rights Employee may have or acquire in such Proprietary Information. Employee will not use or disclose any Proprietary Information or anything directly relating to it without the prior written consent of the Company, except as may be necessary in the ordinary course of performing Employee’s duties on behalf of the Company or as may be authorized in advance by an appropriate officer of the Company and only for the benefit of the Company.

3. No Unauthorized Use or Disclosure of Proprietary Information. At all times, both while Employee is providing services to the Company and after the termination of such services, Employee shall keep in confidence all Proprietary Information, and Employee will not use or disclose or allow anyone else to use or disclose any Proprietary Information, except as may be necessary in the performance of Employee’s work for the Company or as may be authorized in advance by appropriate officers of the Company.

Notwithstanding the foregoing, nothing in this CIIP Agreement shall be construed to prevent disclosure of Proprietary Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. Employee shall promptly provide written notice of any such order to an authorized officer of the Company.

Nothing in this CIIP Agreement prohibits or restricts Employee (or Employee’s attorney) from filing a charge or complaint with the Securities and Exchange Commission (SEC), the Occupational Safety and Health Administration (OSHA), the Equal Employment Opportunity Commission (EEOC), or any other federal or state regulatory authority (the “Government Agencies”). Employee further understands that this CIIP Agreement does not limit Employee’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any such Agency without notice to the Company.

Nothing in this CIIP Agreement in any way prohibits or is intended to restrict or impede Employee from discussing the terms and conditions of Employee’s employment with coworkers or union representatives or otherwise exercising protected rights under Section 7 of the National Labor Relations Act.

In addition, notwithstanding any other provision of this CIIP Agreement:

(a) Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

(b) If Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the Company's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

4. Delivery of Documents and Data. In the event of the termination of Employee's employment with the Company for any reason, Employee will deliver to the Company all documents and data of any nature pertaining to Employee's work with the Company. Employee will not take with Employee or deliver to anyone else any documents or data of any description or any reproduction thereof containing or pertaining to any Proprietary Information, and Employee may be required to sign and deliver to the Company a "Termination Certification" to confirm his compliance with this paragraph.

5. Disclosure of Inventions. Employee will promptly disclose to the Company, or any persons designated by it, all improvements, inventions, designs, ideas, works of authorship, copyrightable works, structures, product concepts, recipes, product formulations, marketing plans, distribution plans, business plans, financial projections, strategies and forecasts, discoveries, formulae, processes, techniques, know-how and data, whether or not protectable as Intellectual Property, made or conceived or reduced to practice or learned by Employee, either alone or jointly with others, during the period of Employee's employment with the Company (whether or not conceived or worked on during normal working hours), that are related to or useful in the actual or anticipated business of the Company, are conceived from Employee's use or knowledge of Proprietary Information, or result from tasks assigned to Employee by the Company or result from the use of premises or equipment owned, leased or contracted for by the Company (the "Inventions").

6. Assignment of and Assistance on Inventions.

(a) Employee hereby assigns to the Company any rights Employee may have or acquire in all Inventions and agrees that all Inventions shall be the sole property of the Company and its assigns, and the Company and its assigns shall be the sole owner of all Intellectual Property and other rights in connection therewith. Employee further agrees to assist the Company in every proper way (at the Company's expense) to obtain and from time to time enforce such Intellectual Property and other rights with respect to Inventions in any and all countries, and to that end Employee will execute all documents necessary:

(i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) Intellectual Property or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same; and

(ii) to defend any opposition proceedings in respect of such Intellectual Property and any opposition proceedings or petitions or applications for revocation of such Intellectual Property or other analogous protection.

(b) In the event the Company is unable, after reasonable effort, to secure Employee's signature for any Intellectual Property or other analogous protection relating to an Invention, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact, to act for and on Employee's behalf and stead, to execute and file any application or applications for Intellectual Property and to do all other lawfully permitted acts to further the prosecution and issuance of Intellectual Property or other analogous protection thereon with the same legal force and effect as if executed by Employee. Employee's obligation to assist the Company in obtaining and enforcing the Company's Intellectual Property for such Inventions in any and all countries, and to defend any opposition proceedings in respect of such Intellectual Property and any opposition proceedings or petitions or applications for revocation of such Intellectual Property or other analogous protection, shall continue beyond the termination of Employee's employment with the Company, but the Company shall compensate Employee at a reasonable rate after such termination for time actually spent by Employee at the Company's request on such assistance.

(c) Employee acknowledges that all original works of authorship that are created by Employee (solely or jointly with others) within the scope of Employee's employment and that are protectable by copyright are being created at the instance of the Company and shall be deemed "works made for hire," as that term is defined in the United States Copyright Act (17 USCA, Section 101). If such laws are inapplicable or in the event that such works, or any part thereof, are determined by a court of competent jurisdiction not to be a work made for hire under the United States copyright laws, this CIIP Agreement shall operate as an irrevocable and unconditional assignment by Employee to the Company of all of Employee's right, title and interest, including, without limitation, all rights in and to the copyrights throughout the world, as set forth in the United States Copyright Act (17 USCA Section 106) and other analogous statutes throughout the world, in the works in perpetuity, and the right to all renewals and extensions.

7. Prior Inventions. All improvements, inventions, designs, ideas, works of authorship, copyrightable works, structures, product concepts, recipes, product formulations, marketing plans, distribution plans, business plans, financial projections, strategies and forecasts, discoveries, formulae, processes, techniques, know-how and data, whether or not protectable as Intellectual Property, relevant to the subject matter of Employee's employment with the Company that have been made or conceived or first reduced to practice by Employee (solely or jointly with others) prior to Employee's employment by the Company shall be deemed "Inventions" for the purposes of this CIIP Agreement, except with respect to those explicitly set forth on Annex B hereto.

8. Industry Knowledge. Employee shall retain all right, title and interest to Employee's general know-how and expertise in the industry, even if developed or refined during the term of Employee's employment with the Company.

9. Non-Competition; Non-Solicitation.

(a) During Employee's employment with the Company, and for one (1) year following the termination of Employee's employment by either Employee or the Company, regardless of the reason for such termination (the "Non-Competition Period"), Employee will not directly or indirectly whether as a partner, consultant, agent, employee, co-venturer, greater than two percent owner or otherwise or through any other Person (as hereafter defined) be engaged in any business or activity which is competitive with the Business (as hereafter defined) of the Company in any part of the world in which the Company is at the time of Employee's termination engaged in selling its products directly or indirectly.

(b) During Employee's employment with the Company, and for one (1) year following the termination of Employee's employment by either Employee or the Company, regardless of the reason for such termination (the "Non-Solicitation Period"), (i) Employee, except as part of Employee's duties to the Company, shall not directly or indirectly, for Employee's own benefit or on behalf of any other person or entity, solicit, call on, service or enter into any agreement with any customer with whom the Company did any business within the 12 month period preceding the termination of Employee's employment with the Company, and with whom Employee (including any member of the executive team) had contact, for whom Employee (including any member of the executive team) had supervisory responsibility or about whom Employee had access to and used Proprietary Information; (ii) Employee shall not, directly or indirectly, for Employee's own benefit or on behalf of any other Person or entity, solicit, induce or encourage any employee of the Company with whom Employee (including any member of the executive team) had material contact to leave such employee's employment with the Company or to cease such employee's relationship with the Company; and (iii) Employee shall not, directly or indirectly, for Employee's own benefit or on behalf of any other Person or entity encourage (or assist another in encouraging) any supplier, business partner, or vendor of the Company with whom Employee had any contact on behalf of the Company within the last 12 months of Employee's employment with the Company to terminate or diminish its relationship with the Company. This paragraph 9(b) shall not prohibit Employee from working with customers if Employee did not solicit the customers or if the customer voluntarily chose to leave and seek services from Employee and Employee is otherwise complying with Employee's obligations under this CIIP Agreement.

(c) For purposes of this paragraph 9, the term "Company" shall include any person controlling, under common control with or controlled by, the Company.

(d) For purposes of this paragraph 9, the Company's "Business" shall include: (a) developing and selling software-driven technology and printing solutions for high growth markets including food service technology, point of sale automation, and casino and gaming; and (b) providing complete back-end solutions for restaurants, convenience stores and other food service establishments. The Company's "Business" further includes any expansion over time to the products the Company sells and/or distributes and/or any additional services it provides.

(e) For purposes of this paragraph 9, the term “Person” shall mean an individual or corporation, association or partnership in estate or trust or any other entity or organization.

(f) If Employee breaches any provision in the paragraph 9, the time periods relating to such breached provision shall be extended for a period of time equal to that period of time during which Employee is determined to be in breach.

(g) Employee expressly agrees that the character, duration and scope of the covenants contained in this CIIP are reasonable in light of the circumstances as they exist at the date upon which this CIIP Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character, duration or geographical scope of the covenants contained herein are unreasonable in light of the circumstances as they then exist, then it is the intention of both Employee and the Company that the covenants contained herein shall be construed by the court in such a manner as to impose only those restrictions on the conduct of Employee which are reasonable in light of the circumstances as they then exist and necessary to provide the Company the intended benefit of the covenants contained herein.

10. No Prior Employer Property.

(a) Employee understands, as part of the consideration for the Company’s employment of Employee, that Employee may not bring and must not bring with Employee to the Company or use in the performance of Employee’s responsibilities at the Company any materials or documents of a former employer or other entity that are not generally available to the public, unless Employee or the Company first has obtained written authorization from the former employer or entity for their possession and use.

(b) Accordingly, Employee represents that the only materials or documents of a former employer or other entity that are not generally available to the public that Employee will bring to the Company or use in Employee’s employment on behalf of the Company are identified on Annex B attached hereto, and as to each such item, Employee represents that Employee has obtained, prior to the effective date of Employee’s employment with the Company, written authorization for their possession and use in connection with Employee’s employment with the Company.

(c) Employee also understands that, during Employee’s employment with the Company, Employee may not breach any obligation of confidentiality or duty that Employee has to former employers or other entities, and Employee agrees that Employee shall fulfill all such obligations during Employee’s employment with the Company.

(d) Without limiting the foregoing, Employee hereby represents that, to the best of Employee’s knowledge and belief, no services performed or Inventions created during Employee’s employment with the Company infringes any patents, copyrights, trade secrets, or any other rights of any third parties, including, without limitation, former employers of Employee.

11. No Breach of Duty. Employee represents that Employee's performance of all of the terms of this CIIP Agreement and Employee's employment by the Company does not, and to the best of Employee's knowledge and belief will not, breach any agreement or duty to keep in confidence any proprietary information acquired by Employee in confidence or in trust prior to Employee's employment by the Company. Employee has not entered into, and agrees that Employee will not enter into, any agreement either written or oral in conflict herewith.

12. Remedies for Breach. Employee agrees that any actual or threatened breach of this CIIP Agreement including, but not limited to, Employee's obligations set forth in paragraphs 2, 3, 4, 6 and/or 9, by Employee would cause irreparable damage to the Company and that, in the event of such actual or threatened breach, the Company shall have, in addition to any and all remedies of law, the right to temporary and permanent injunctive relief, including, without limitation, specific performance and other equitable relief, without the necessity of proving actual damages, and without regard to the adequacy of any remedy at law, to prevent or redress the violation of Employee's obligations hereunder.

13. Severability. If any provision hereof shall be declared unenforceable, invalid, or illegal for any reason, such unenforceability, invalidity, or illegality shall not affect the enforceability, validity, or legality of the remaining provisions of this CIIP Agreement. Further, a court of competent jurisdiction may reform and construe such provision to the extent permitted by law so that it would be valid, legal, and enforceable to the maximum extent possible.

14. Notices. All notices required or permitted under this CIIP Agreement shall be in writing and shall be delivered to the other party via hand-delivery, electronic mail, overnight mail, or certified mail at such party's last known address. All such notices shall be conclusively deemed to be received and shall be effective (i) if sent by hand delivery, upon receipt, (ii) if sent by nationally recognized overnight courier service, on the business day following delivery to such service, (iii) if sent by registered or certified mail, postage prepaid, return receipt requested, on the third business day following delivery to the United States Postal Service, or (iv) if sent by electronic mail or facsimile, upon receipt by the sender of confirmation of such transmission.

15. Effective Date. This CIIP Agreement shall be effective as of the first day of Employee's employment by the Company.

16. Successors and Assigns. This CIIP Agreement may not be assigned by Employee. This CIIP Agreement shall be binding upon Employee, Employee's heirs, executors, assigns and administrators, shall inure to the benefit of the Company, its successors and assigns, and shall survive the termination of Employee's employment with the Company, regardless of the reason for or manner of such termination. The Company may assign this CIIP Agreement to any of its parent companies, affiliates, subsidiaries, and/or successors.

17. Applicable Law and Waiver of Jury Trial. This CIIP Agreement shall in all respects be governed by, construed, and enforced in accordance with the laws of the State of Nevada, without regard to principles of conflicts of law. The parties consent to the jurisdiction of the state and federal courts of the State of Nevada for any action in which the Company seeks specific performance or injunctive remedies in an effort to prevent an actual or threatened breach of this CIIP Agreement. Employee also agrees that in any such action, the Company shall not be required to post any bond or other security. Pursuant to Cal. Lab. Code Section 925(e), Employee represents that he has been represented by separate counsel in reviewing and negotiating this CIIP Agreement and evaluating all of its terms. Employee further represents that he has had Section 925 explained to him by his separate counsel.

18. Waiver. Either Employee or the Company may by written notice to the other: (i) extend the time for the performance of any of the obligations or other actions of the other party under this CIIP Agreement; (ii) waive compliance with any of the conditions or covenants of the other party contained in this CIIP Agreement; and (iii) waive or modify performance of any of the obligations of the other party under this CIIP Agreement. Except as provided in the preceding sentence, no action taken pursuant to this CIIP Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this CIIP Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach, and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise that right or privilege at any subsequent time or times hereunder.

19. Amendment. This CIIP Agreement may be terminated, amended, modified, or supplemented only by a written instrument executed by Employee and the Company.

20. Captions. The captions and section headings in this CIIP Agreement are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this CIIP Agreement.

21. Counterparts. This CIIP Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, this CIIP Agreement is entered into as of the Effective Date noted in paragraph 15.

ACCEPTED and AGREED to by:

TRANSACT TECHNOLOGIES INC.

EMPLOYEE

By: /s/ Emanuel Hilario _____

By: /s/ John M. Dillon _____

Name: Emanuel Hilario _____

Employee Signature

Title: Chair Compensation Committee _____

Date: 04/24/2023 _____

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