
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: (DATE OF EARLIEST EVENT REPORTED):
DECEMBER 6, 2002

CLARUS CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE 0-24277 58-1972600
(State or other jurisdiction of (Commission (IRS Employer
incorporation or organization) File No.) Identification No.)

One Pickwick Plaza
Greenwich, CT 06830
(Address of principal executive offices, including zip code)
(203) 302-2000
(Registrant's telephone number, including area code)

(Former name or Former Address if Changed Since Last Report)

3970 Johns Creek Court
Suite 100
Suwanee, Georgia 30024

ITEM 2. Acquisition Or Disposition Of Assets

On December 6, 2002, Clarus Corporation ("Clarus" or the "Company") consummated the sale of substantially all of the assets of its electronic commerce business (the "Asset Sale" or the "Sale") to Epicor Software Corporation ("Epicor") for a purchase price, determined through arms-length negotiation of the parties, of \$1.0 million in cash, pursuant to the terms of an Asset Purchase Agreement, dated as of October 17, 2002, between Clarus and Epicor ("Asset Purchase Agreement"). Upon the consummation of the Sale, Mr. Stephen P. Jeffery ceased serving as the Company's Chief Executive Officer and Chairman, and Mr. James McDevitt ceased serving as the Company's Chief Financial Officer.

The description of the Asset Purchase Agreement and the transactions contemplated by it is not intended to be complete and is qualified in its entirety by the complete text of the Asset Purchase Agreement which is attached as Exhibit 2.1 to this report.

The Company is currently seeking opportunities to sell its remaining operating assets.

ITEM 5. Other Events and Required FD Disclosure.

Following the Sale, Mr. Warren B. Kanders was appointed the Executive Chairman of the Company's Board of Directors, and Mr. Nigel P. Ekern was appointed the Company's Chief Administrative Officer and Secretary, each pursuant to the terms of an employment agreement with the Company. In addition, Mr. Jeffery entered into a Consulting Agreement with the Company.

In order to supplement the Company's directors' and officers' liability insurance coverage, and to provide the Company's directors and executive officers with contractual assurance that the protection provided by the Company's Certificate of Incorporation will be available to them (regardless of any amendment or revocation of the Company's Certificate of Incorporation), the Company has agreed to enter into Indemnification Agreements with its directors and executive officers.

ITEM 7. Financial Statements, Pro Forma Information and Exhibits

(b) Pro Forma Financial Information

The following unaudited pro forma Condensed Consolidated Statements of Operations for the twelve month period ended December 31, 2001 and the nine month period ended September 30, 2002 give effect to the Sale as though it occurred on January 1, 2001. The unaudited pro forma balance sheet assumes the Sale was completed as of September 30, 2002. The unaudited pro forma financial data and the notes thereto should be read in conjunction with the Company's historical financial statements. The unaudited pro forma financial data is based upon the Company's historical consolidated financial statements and certain assumptions and estimates of the Company's management that are subject to change. The unaudited pro forma financial data is presented for illustrative purposes only and is not necessarily indicative of any future results of operations or the results that might have occurred if the Sale had actually occurred on the indicated dates.

CLARUS CORPORATION PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED) (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
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	YEAR ENDED DECEMBER 31, 2001		
	PRO FORMA HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA AS ADJUSTED
	<C>	<C>	<C>
REVENUES:			
License fees	\$ 7,807	\$(4,500)(1)	\$3,307
Services fees	9,198	(4,543)(1)	4,655
Total revenues	17,005	(9,043)(1)	7,962
COST OF REVENUES:			
License fees	211	(122)(2)	89
Services fees	12,253	(6,818)(3)	5,435
Total cost of revenues	12,464	(6,940)	5,524
OPERATING EXPENSES:			
Research and development	16,220	(9,853)(4)	6,367
Sales and marketing	27,294	(20,191)(5)	7,103
General and administrative	14,918	- (6)	14,918
Impairment of intangible assets	36,756	(36,756)(7)	-
Gain on disposal of assets	(20)	-	(20)
Operating expenses, before non-cash items	95,168	(66,800)	28,368
Depreciation	3,750	(589)(8)	3,161
Amortization	8,462	(8,462)(9)	-
Operating expenses, before compensation expense	107,380	(75,851)	31,529

Non-cash sales and marketing	6,740	(391)(10)	6,349
Non-cash general and administrative	252	-	252
Total operating expenses	114,372	(76,242)	38,130
Operating income/(loss)	(109,831)	74,139	(35,692)
Other income	107	-	107
Loss on impairment of investments	(16,472)	-	(16,472)
Interest income	6,570	-	6,570
Interest expense	228	-	228
Income/(loss) from continuing operations before tax provision	(119,854)	74,139	(45,715)
Income tax provision	-	-	-
Net loss from continuing operations	(119,854)	74,139	(45,715)
Loss per common share, basic and diluted			
Net loss from continuing operations	\$ (7.72)	\$ 4.77	\$ (2.95)
Weighted average shares outstanding			
Basic	15,530	15,530	15,530
Diluted	15,530	15,530	15,530

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CLARUS CORPORATION
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

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<CAPTION>

NINE MONTHS ENDED SEPTEMBER 30, 2002

	PRO FORMA HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA AS ADJUSTED
<S>	<C>	<C>	<C>
REVENUES:			
License fees	\$ 2,649	\$ (804)(1)	\$1,845
Services fees	5,352	(2,748)(1)	2,604
Total revenues	8,001	(3,552)(1)	4,449
COST OF REVENUES:			
License fees	21	(6)(2)	15
Services fees	4,809	(2,726)(3)	2,083
Total cost of revenues	4,830	(2,732)	2,098
OPERATING EXPENSES:			
Research and development	6,437	(3,508)(4)	2,929
Sales and marketing	7,249	(2,200)(5)	5,049
General and administrative	6,758	-(6)	6,758
Impairment of intangible assets	10,360	(10,360)(7)	-
Loss on disposal of assets	918	-	918
Operating expenses, before non-cash items	31,722	(16,068)	15,654
Depreciation	3,404	(523)(8)	2,881
Amortization	455	(455)(9)	-
Operating expenses, before compensation expense	35,581	(17,046)	18,535
Non-cash sales and marketing	450	(450)(10)	-
Non-cash general and administrative	-	-	-
Total operating expenses	36,031	(17,496)	18,535
Operating income/(loss)	(32,860)	16,676	(16,184)
Other income	26	-	26

Loss on impairment of investments	-	-	-
Interest income	1,986	-	1,986
Interest expense	169	-	169
<hr/>			
Income/(loss) from continuing operations before tax provision	(31,017)	16,676	(14,341)
Income tax provision	-	-	-
<hr/>			
Net loss from continuing operations	(31,017)	16,676	(14,341)
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Loss per common share, basic and diluted			
Net loss from continuing operations	\$ (1.99)	\$ 1.07	\$ (0.92)
<hr/>			
Weighted average shares outstanding			
Basic	15,597	15,597	15,597
Diluted	15,597	15,597	15,597

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CLARUS CORPORATION
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

<TABLE>

<CAPTION>

SEPTEMBER 30, 2002

	<hr/>		
	PRO FORMA HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA AS ADJUSTED
	<hr/>	<hr/>	<hr/>
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 17,745	\$ 895(1)	\$ 18,640
Marketable securities	84,832	-	84,832
Accounts receivable, less allowance for doubtful accounts of \$631	963	-	963
Prepays and other current assets	1,488	(151)(2)	1,337
<hr/>			
Total current assets	105,028	744	105,772
PROPERTY AND EQUIPMENT, NET		3,129	(694)(3) 2,435
OTHER ASSETS:			
Deposits and other long-term assets	45	-	45
<hr/>			
TOTAL ASSETS	\$108,202	\$ 50	\$108,252
<hr/>			

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 5,200	\$ -	\$ 5,200
Deferred revenue	2,185	(604)(4)	1,581
<hr/>			
Total current liabilities	7,385	(604)	6,781

LONG-TERM LIABILITIES:

Deferred revenue	67	(5)(4)	62
Long-term debt	5,000	-	5,000
Other long-term liabilities	256	-	256
<hr/>			
Total liabilities	12,708	(609)	12,099

STOCKHOLDERS' EQUITY:

Preferred stock, \$0.0001 par value; 5,000,000 shares authorized; none issued	-	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 15,728,108 shares issued and 15,653,108 outstanding	2	-	2

Additional paid-in capital	361,018	-	361,018
Accumulated deficit	(265,640)	659(5)	(264,981)
Treasury stock, at cost	(2)	-	(2)
Accumulated other comprehensive income		116	- 116
	-----	-----	
Total stockholders' equity	95,494	659	96,153
	-----	-----	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$ 108,202	\$ 50 \$ 108,252
	=====	=====	=====

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Notes - Statements of Operations:

The Asset Sale involves the sale of certain assets associated with our electronic commerce business to Epicor. The assets sold include the following products and related assets: eProcurement, Sourcing, View (for eProcurement), eTour (for eProcurement), ClarusNet and Settlement products, our customer lists, certain contracts and certain intellectual property rights that are primarily related to the transferred assets, maintenance payments that we received between October 17, 2002, and the closing date of the Asset Sale for maintenance and services to be performed by Epicor after the closing date of the Asset Sale, and certain property and equipment.

- (1) Reflects the revenues directly associated with the products and certain contracts included in the Asset Sale.
- (2) Represents the cost of royalties associated with products licensed to customers included in the Asset Sale.
- (3) Cost of services revenue associated with the assets sold. With the exception of our Cashbook product, services costs are not capable of being calculated on a product-by-product basis. All cost of services revenue, other than cost of services revenue attributable to the Cashbook product, has been allocated based upon revenue.
- (4) Reflects the development costs associated with the assets sold allocated based upon the research and development headcount by product.
- (5) Represents the sales and marketing expenses associated with the assets sold based upon an allocation utilizing license fee revenue as the basis.
- (6) General and administrative expenses are not included in the assets sold. The majority of our general and administrative costs are related to administration and our facilities.
- (7) Reflects the intangible impairment loss related to the assets sold.
- (8) Depreciation related to the specific property and equipment included in the Asset Sale.
- (9) Amortization of the intangible assets included in the Asset Sale.
- (10) Noncash sales and marketing expense related to sales and marketing agreements included in the Asset Sale.

Notes - Balance Sheet

- (1) Includes the \$1.0 million closing cash payment less certain expenses related to the sale including \$50,000 to be paid to our financial advisor, U.S. Bancorp Piper Jaffray and \$55,000 to Willamette for issuing a fairness opinion.
- (2) Prepaid expenses for future support related to licensed products used in research and development that are included in the Asset Sale.
- (3) Net book value of property and equipment that are included in the Asset Sale.
- (4) Deferred revenue associated with the products and certain contracts included in the Asset Sale.

- (5) Gain on the Asset Sale assuming the transaction occurred on September 30, 2002. The gain on sale is calculated as follows (in thousands):

Total proceeds from sale	\$ 1,000
Less:	
Transaction costs	105

Net proceeds from sale	895
Assets sold to Epicor:	
Prepaid assets	151
Property and equipment	694

Total Assets sold to Epicor	845
Liabilities assumed by Epicor:	
Deferred revenue	609

Net assets sold to Epicor	236

Gain on sale of assets	\$ 659

(c) Exhibits

- 2.1 Asset Purchase Agreement, dated as of October 17, 2002, by and between Epicor Software Corporation and Clarus Corporation (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.2 Form of Bill of Sale and Assumption Agreement (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.3 Form of Trademark Assignment (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.4 Form of Patent Assignment (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.5 Form of Noncompetition Agreement (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.6 Form of Legal Opinion (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.7 Form of Transition Services Agreement (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.8 Form of Escrow Agreement (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 2.9 Source Code Sublicense Agreement (Incorporated by reference from the Company's Form 8-K filed on October 18, 2002)
- 10.1 Form of Indemnification Agreement for Directors and Executive Officers of the Company.
- 10.2 Employment Agreement, dated as of December 6, 2002, between the Company and Warren B. Kanders.
- 10.3 Employment Agreement, dated as of December 6, 2002, between the Company and Nigel P. Ekern.
- 10.4 Consulting Agreement, dated as of December 6, 2002, between the Company and Stephen P. Jeffery.
- 99.1 Press Release

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.

CLARUS CORPORATION

Date: December 23, 2002 /S/ NIGEL P. EKERN

NIGEL P. EKERN
Chief Administrative Officer

EXHIBIT INDEX

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- 99.1 Press Release

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____, 2002 by and between Clarus Corporation, a Delaware corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, it is essential to the Company and its stockholders to attract and retain highly qualified and capable directors, officers, employees, and agents;

WHEREAS, the Certificate of Incorporation of the Company (the "Certificate of Incorporation") allows the Company to indemnify and advance expenses to its directors and officers;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation of the Company and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, in recognition of Indemnitee's need for protection against personal liability in order to induce Indemnitee to serve the Company in an effective manner, and to supplement the Company's directors' and officers' liability insurance coverage, and, in part, to provide Indemnitee with specific contractual assurance that the protection provided by the Certificate of Incorporation will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of the Certificate of Incorporation), the Company wishes to provide the Indemnitee with the benefits contemplated by this Agreement; and

WHEREAS, as a result of the provision of such benefits Indemnitee has agreed to serve or continue to serve the Company as a director, officer, employee, or agent;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. DEFINITIONS. As used in this Agreement:

(a) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(b) "Board" or "Board of Directors" shall mean the board of directors of the Company from time to time.

(b) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(b)(i), 1(b)(iii) or 1(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for

election was previously so approved, cease for any reason to constitute a least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 66.67% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

(c) "Corporate Status" describes the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise (as defined below) which such person is or was serving at the request of the Company.

(d) "DGCL" means the General Corporation Law of the State of Delaware, as in effect from time to time.

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(e) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(f) "Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise or entity of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

(g) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(h) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements, costs, or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments, fines, or other Losses against Indemnitee.

(i) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing

either the Company or Indemnatee in an action to determine Indemnatee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(j) "Loss" means all judgments, fines, penalties, damages, liabilities, claims, and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties, damages, liabilities, claims, and amounts paid in settlement).

(k) Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries;

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and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(k) A "Potential Change in Control" shall occur if the Company (a) enters into an agreement, the consummation of which would result in the occurrence of a Change in Control or (b) the Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a potential Change in Control has occurred.

(l) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company and any of its direct and indirect subsidiaries, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(m) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, in which Indemnatee was, is or will be involved as a party or otherwise by reason of the fact that Indemnatee is or was a director, officer, employee, or agent of the Company, by reason of any action taken (or failure to act) by him or of any action (or failure to act) on his part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement.

2. INDEMNIFICATION IN THIRD-PARTY PROCEEDINGS. The Company shall indemnify Indemnatee, his executors, and administrators in accordance with the provisions of this Section 2 if Indemnatee is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnatee shall be indemnified against all Expenses and Losses incurred by Indemnatee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnatee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal action or proceeding had no reasonable cause to believe that his conduct was unlawful.

3. INDEMNIFICATION IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY. The Company shall indemnify Indemnatee, his executors, and administrators in accordance with the provisions of this Section 3 if Indemnatee is, or is threatened to be made, a party to or a participant (as a witness or

otherwise) in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all

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Expenses, but not Losses, incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought or the Delaware Court of Chancery shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such Expenses which the Delaware Court of Chancery or such other court shall deem proper.

4. INDEMNIFICATION FOR EXPENSES OF A WITNESS. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses incurred by him or on his behalf in connection therewith.

5. ADDITIONAL INDEMNIFICATION.

(a) Notwithstanding any limitation in Sections 2 or 3, the Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses and Losses incurred by Indemnitee in connection with the Proceeding. No indemnification shall be made under this Section 5(a) on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.

(b) For purposes of Section 5(a), the meaning of the phrase "to the fullest extent permitted by law" shall include, but not be limited to:

(i) to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

6. EXCLUSIONS. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification in connection with any claim made against Indemnitee:

(a) for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnification provision, except with respect to any excess beyond the amount actually received under any insurance policy or other indemnification provision;

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(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or

(c) for any Loss which the Company is prohibited by applicable law from paying as indemnification or for any other reason.

7. ADVANCES OF EXPENSES; DEFENSE OF CLAIM; SETTLEMENT

(a) Notwithstanding any provision of this Agreement to the

contrary, the Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances solely upon the execution and delivery to the Company of an undertaking providing that the Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 7(a) shall not apply to any claim made by Indemnitee for which indemnification is excluded pursuant to Section 6.

(b) In the event the Company shall be obligated hereunder to provide indemnification for Expenses or Losses, or shall be required to make an advance in accordance with Section 7(a) hereof, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel reasonably satisfactory to Indemnitee, upon the delivery to Indemnitee of reasonable written notice of its election to do so. After delivery of such notice, the Company will not be liable to Indemnitee under this Agreement for any legal or other Expenses subsequently incurred by Indemnitee in connection with such defense other than reasonable Expenses of investigation; provided that Indemnitee shall have the right to employ its counsel in such Proceeding but the Expenses of such counsel incurred after delivery of notice from the Company of its assumption of such defense shall be at the Indemnitee's expense; provided further that if: (i) the employment of counsel by Indemnitee has been previously authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there will be a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such action or having employed counsel, such counsel is not diligently prosecuting a defense on behalf of the Indemnitee, the Expenses of counsel employed by the Indemnitee shall be at the expense of the Company.

(c) The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, Loss, or limitation on the Indemnitee without the Indemnitee's prior written consent, and no settlement of any Proceeding shall be entered into unless, if applicable, in the Indemnitee's discretion, such settlement includes, as an unconditional term

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thereof, the delivery by the claimant or plaintiff in such Proceeding to Indemnitee of a duly executed written release of Indemnitee from all liability or obligation in respect of such Proceeding, which release shall be reasonably satisfactory in form and substance to Indemnitee and Indemnitee's counsel. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

8. PROCEDURE FOR NOTIFICATION AND APPLICATION FOR INDEMNIFICATION.

(a) Within forty-five (45) days after the actual receipt by Indemnitee of notice that he or she is a party to or a participant (as a witness or otherwise) in any Proceeding, Indemnitee shall submit to the Company a written notice identifying the Proceeding. The omission by the Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee (i) otherwise than under this Agreement, and (ii) under this Agreement only to the extent the Company can establish that such omission to notify resulted in actual prejudice to the Company.

(b) Indemnitee shall thereafter deliver to the Company a written application to indemnify Indemnitee in accordance with this Agreement. Such application(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Following such a written application for indemnification by Indemnitee, the Indemnitee's entitlement to indemnification shall be determined according to Section 9(a) of this Agreement.

9. PROCEDURE UPON APPLICATION FOR INDEMNIFICATION.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 8(b), a determination, if required by law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, or if there are no Disinterested Directors by a majority vote of the Board or (ii) if so requested by the Indemnitee in his or her sole discretion, by Independent Counsel in a written opinion to the Board and the Indemnitee, which shall supersede any determination made by the Board. If (i) it is so determined that Indemnitee is entitled to indemnification or (ii) a determination is not required by applicable law, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 9(a) hereof, the Independent Counsel shall be selected

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as provided in this Section 9(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 8(b) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 9(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees of Independent Counsel and to fully indemnify such Independent Counsel against any and all Expenses and Losses arising out of or relating to this Agreement or its engagement pursuant hereto.

10. ESTABLISHMENT OF TRUST. In the event of a Potential Change in Control or Change of Control, the Company shall, upon written request by Indemnitee, create a trust (the "Trust") for the benefit of Indemnitee and from

time to time upon written request of Indemnatee shall fund the Trust in an amount sufficient, in the reasonable opinion of the Board or the Independent Counsel, as the case may be, to satisfy any and all Losses and Expenses which are actually paid or which Indemnatee reasonably determines from time to time may be payable by the Company under this Agreement. The terms of the Trust shall provide that upon a Change in Control: (i) the Trust shall not be revoked or the principal thereof invaded without the written consent of Indemnatee; (ii) the trustee of the Trust shall advance, within 20 days of a request by Indemnatee, any and all Expenses to Indemnatee (and Indemnatee hereby agrees to reimburse the Trust under the circumstances under which Indemnatee would be required to reimburse the Company under Section 7(a) of this Agreement); (iii) the Company shall continue to fund the Trust from time to time in accordance with the funding obligations set forth above; (iv) the trustee of the Trust shall promptly pay to Indemnatee

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all Expenses and Losses for which Indemnatee shall be entitled to indemnification pursuant to this Agreement; and (v) all unexpended funds in the Trust shall revert to the Company upon a final determination by a court of competent jurisdiction in a final decision from which there is no further right of appeal that Indemnatee has been fully indemnified under the terms of this Agreement. The trustee of the Trust shall be chosen by Indemnatee and shall be approved by the Company, which approval shall not be unreasonably withheld, conditioned, or delayed.

11. PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement if Indemnatee has submitted a request for indemnification in accordance with Section 8(b) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnatee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnatee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnatee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 9 of this Agreement to determine whether Indemnatee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnatee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself adversely affect the right of Indemnatee to indemnification or create a presumption that Indemnatee did not act in good faith and in a manner which the Indemnatee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnatee had reasonable cause to believe that the Indemnatee's conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnatee shall be deemed to have acted in good faith if Indemnatee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnatee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public

accountant or by an appraiser or other expert selected by the Enterprise or any other Person permitted by law. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnatee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, trustee, partner, managing member, fiduciary, officer, agent or employee of the Enterprise shall not be imputed to Indemnatee for purposes of determining the right to indemnification under this Agreement.

12. REMEDIES OF INDEMNITEE.

(a) In the event that (i) a determination is made pursuant to Section 9 of this Agreement that Indemnatee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 7 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 9(a) of this Agreement within forty-five (45) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 4 or the last sentence of Section 9(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to Section 2, 3, or 5 of this Agreement is not made within ten (10) days after a determination has been made that Indemnatee is entitled to indemnification, if such a determination is required by applicable law, Indemnatee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnatee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnatee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 9(a) of this Agreement that Indemnatee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnatee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12 the Company shall have the burden of proving Indemnatee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 9(a) of this Agreement adverse to Indemnatee for any purpose. If Indemnatee commences a judicial proceeding or arbitration pursuant to this Section 12, Indemnatee shall not be required to reimburse the Company for any advances pursuant to Section 7 until a final determination is made with respect to Indemnatee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 9(a) of this Agreement that Indemnatee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a prohibition of such indemnification under applicable law.

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(d) In the event that Indemnatee, pursuant to this Section 12, seeks a judicial adjudication of or an award in arbitration to enforce his rights under, or to recover damages for breach of, this Agreement, Indemnatee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses incurred by him in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that Indemnatee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the Indemnatee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all Expenses incurred by Indemnatee in connection with such judicial adjudication or arbitration.

(e) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that

the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(f) The Company shall indemnify Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) advance such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee for (i) indemnification or advances of Expenses by the Company under this Agreement or any other agreement or provision of the Company's Certificate of Incorporation or By-laws now or hereafter in effect or (ii) recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance or insurance recovery, as the case maybe.

13. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; SUBROGATION.

(a) The rights of the indemnification hereunder including to indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's Certificate of Incorporation, the Company's By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

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(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees, or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, trustee, partner, managing member, fiduciary, officer, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a

director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnatee has actually received as indemnification or advancement of expenses from such Enterprise.

14. DURATION OF AGREEMENT. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnatee shall have ceased to serve as a director or officer of the Company or as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnatee served at the request of the Company; or (b) one (1) year after the final termination of any Proceeding (including any rights of appeal thereto) then pending, or reasonably related to, or arising out of the same facts of, any Proceeding then pending, in respect of which Indemnatee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnatee pursuant to Section 12 of this Agreement relating thereto (including any rights of appeal of any Section 12 Proceeding).

15. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or

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unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

16. ENFORCEMENT AND BINDING EFFECT.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnatee to serve as a director or officer of the Company, and the Company acknowledges that Indemnatee is relying upon this Agreement in serving as a director, officer, employee, or agent of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The indemnification and advancement of expenses provided by, or granted pursuant to this Agreement shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

17. MODIFICATION AND WAIVER. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

18. NOTICE BY INDEMNITEE. Indemnatee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnatee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnatee under this Agreement or otherwise.

19. NOTICES. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered by hand and receipted for by the party to whom said

notice or other communication shall have been directed, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

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(b) If to the Company to:

Clarus Corporation
3970 Johns Creek Court
Suwanee, Georgia 30024
Attention: Chief Executive Officer

with a copy to :

Kane Kessler, P.C.
1350 Avenue of the Americas
New York, New York 10019
Attention: Robert L. Lawrence, Esq.

or to any other address as may have been furnished to Indemnitee in writing by the Company.

20. CONTRIBUTION. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for Expenses or Losses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

21. APPLICABLE LAW AND CONSENT TO JURISDICTION. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

22. IDENTICAL COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party

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against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

23. MISCELLANEOUS. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be signed
as of the day and year first above written.

Clarus Corporation

By: _____

Name: _____

Title: _____

Indemnatee

By: _____

Name: _____

Address: _____

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 6, 2002, is entered into between CLARUS CORPORATION, a Delaware corporation (the "Company") and WARREN B. KANDERS (the "Employee").

W I T N E S S E T H :

WHEREAS, the Company desires to employ the Employee and to be assured of his services on the terms and conditions hereinafter set forth; and

WHEREAS, the Employee is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, the Company and the Employee hereby agree as follows:

1. EMPLOYMENT. The Company hereby employs the Employee on the terms set forth below, and the Employee accepts such employment, upon the terms and subject to the conditions set forth in this Agreement.

2. TERM. The term of this Agreement shall commence on the date hereof (the "Effective Date") and shall terminate on the third anniversary of the Effective Date, subject to earlier termination pursuant to the provisions of Section 10 hereof (the "Term").

3. DUTIES. (a) During the Term of this Agreement, the Employee shall serve as the Executive Chairman of the Board of Directors of the Company and shall perform all duties commensurate with his position. The Employee shall devote as much time as is necessary to perform his duties hereunder and shall use his best efforts, skills and abilities to promote the interests of the Company and to diligently and competently perform the duties of his position.

4. COMPENSATION AND BENEFITS. (a) During the term of this Agreement, the Company shall pay to the Employee, and the Employee shall accept from the Company, as compensation for the performance of services under this Agreement and the Employee's observance and performance of all of the provisions hereof, a salary of \$250,000 per year (the "Base Compensation"). The Employee's salary shall be payable in accordance with the normal payroll practices of the Company and shall be subject to withholding for applicable taxes and other amounts. In addition to the Base Compensation, the Employee may, in the sole and absolute discretion of the Board of Directors of the Company, be entitled to performance bonuses which may be based upon a variety of factors, including the Employee's performance and the achievement of Company goals, all as determined in the sole and absolute discretion of the Board of Directors of the Company.

(b) During the term of this Agreement, the Employee shall be entitled to participate in or benefit from, in accordance with the eligibility and other provisions thereof, the Company's medical insurance and other fringe benefit plans or policies as the Company may make available to, or have in effect for, its personnel with commensurate duties from time to time. In addition, during the Term the Company shall maintain term life insurance on the Employee in the amount of \$2,000,000 for the benefit of the Employee's designees (the "Life Insurance"). The Company retains the right to terminate or alter any such plans or policies from time to time. The Employee shall also be entitled to four weeks paid vacation each year, sick leave and other similar benefits in accordance with policies of the Company from time to time in effect for personnel with commensurate duties.

(c) The Employee shall also be entitled to participate, at the sole and absolute discretion of the Board of Directors of the Company, in the Company's incentive stock option plan. Such participation shall be based upon, among other things, the Employee's performance and the Company's

performance.

5. REIMBURSEMENT OF BUSINESS EXPENSES. During the term of this Agreement, upon submission of proper invoices, receipts or other supporting documentation satisfactory to the Company and in specific accordance with such guidelines as may be established from time to time by the Company's Board of Directors, the Employee shall be reimbursed by the Company for all reasonable business expenses actually and necessarily incurred by the Employee on behalf of the Company in connection with the performance of services under this Agreement.

6. REPRESENTATION OF EMPLOYEE; RESTRICTIONS ON SALE. (a) The Employee represents and warrants that he is not party to, or bound by, any agreement or commitment, or subject to any restriction, including but not limited to agreements related to previous employment containing confidentiality or noncompete covenants, which in the future may have a possibility of adversely affecting the business of the Company or the performance by the Employee of his duties under this Agreement.

7. CONFIDENTIALITY. For purposes of this Section 7, all references to the Company shall be deemed to include all of the Company's subsidiaries.

(a) CONFIDENTIAL INFORMATION. The Employee acknowledges that as a result of his employment with the Company, the Employee has and will continue to have knowledge of, and access to, proprietary and confidential information of the Company, including, without limitation, inventions, trade secrets, technical information, know-how, plans, specifications, methods of operations, financial and marketing information, information with respect to business and product development, including, without limitation, acquisitions and new lines of business, and the identity of customers and suppliers (collectively, the "Confidential Information"), and that such information, even though it may be contributed, developed or acquired by the Employee, constitutes valuable, special and unique assets of the Company developed at great expense which are the exclusive property of the Company. Accordingly, the Employee shall not, at any time, either during or subsequent to the term of this Agreement, use (whether for personal gain or otherwise), reveal, report, publish, transfer or otherwise disclose to

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any person, corporation or other entity, any of the Confidential Information without the prior written consent of the Company, except (i) to responsible officers and employees of the Company and other responsible persons who are in a contractual or fiduciary relationship with the Company and who have a need for such information for purposes in the best interests of the Company, (ii) for such information which is or becomes of general public knowledge from authorized sources other than the Employee, and (iii) for such disclosure as is required by law or legal process and then only with as much prior written notice to the Company as is practical under the circumstances and only to the extent required by such law or legal process. The Employee acknowledges that the Company would not enter into this Agreement without the assurance that all such Confidential Information will be used for the exclusive benefit of the Company.

(b) RETURN OF CONFIDENTIAL INFORMATION. Upon the termination of Employee's employment with the Company, the Employee shall promptly deliver to the Company all drawings, manuals, letters, notes, notebooks, reports and copies thereof and all other materials relating to the Company's business, including without limitation any materials incorporating Confidential Information, which are in the Employee's possession or control.

(c) INVENTIONS, ETC. The Employee will promptly disclose to the Company all designs, processes, inventions, improvements, discoveries and other information related to the business of the Company (collectively "developments") conceived, developed or acquired by him alone or with others during the term of this Agreement, whether or not conceived during regular working hours, through the use of Company time, material or facilities or otherwise. All such developments shall be the sole and exclusive property of the Company, and upon request the Employee shall deliver to the Company all drawings, models and other data and records relating to such developments. In the event any such developments shall be deemed by the Company to be patentable or copyrightable, the Employee shall, at the expense of the Company, assist the

Company in obtaining any patents or copyrights thereon and execute all documents and do all other things necessary or proper to obtain letters patent and copyrights and to vest the Company with full title thereto.

8. NON-COMPETITION. (a) For purposes of this Section 8, all references to the Company shall be deemed to include all of the Company's subsidiaries. Upon the consummation of the Redeployment of the Company's Assets (as defined below), the Employee shall execute and deliver to the Company a non-competition agreement (the "Non-competition Agreement") pursuant to which the Employee shall agree that during the Term of this Agreement and for a period of two (2) years thereafter, the Employee shall not engage, directly or indirectly, or have an interest, directly or indirectly, anywhere in the United States of America or any other geographic area where the Post-Redeployment Company (as defined below) does business or in which its products or services are marketed, alone or in association with others, as principal, officer, agent, employee, director, partner or stockholder (except with respect to his employment by the Post-Redeployment Company), or through the investment of capital, lending of money or property, rendering of services or otherwise, in any business competitive with or substantially similar to that engaged in by the Post-Redeployment Company during the Term of this Agreement (it being understood hereby, that the ownership by the Employee of five percent (5%) or less of the stock of any company listed on a national securities exchange shall not be deemed a

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violation of this Section 8 and it being further understood that nothing herein shall prevent the Employee from engaging in the business of investing, reinvesting, or trading in any entity or its securities or other financial instruments). As used herein, "Redeployment of the Company's Assets" shall mean the investment of more than fifty percent (50%) of the Company's assets, as of the date hereof, in any other company, partnership, limited liability company, or other entity, through a merger, purchase of stock or assets, or joint venture and "Post-Redeployment Company" shall mean the operating business engaged in by the Company after the Redeployment of the Company's Assets.

(b) USE OF MARKS. The Employee shall not at any time, directly or indirectly, use or purport to authorize any person to use any name, mark, logo, trade dress or other identifying words or images which are the same as or similar to those used at any time by the Company or the Post-Redeployment Company in connection with any product or service, whether or not such use would be in a business competitive with that of the Company or the Post-Redeployment Company.

(c) TOLLING OF RESTRICTED PERIOD. Any breach or violation by the Employee of the provisions of this Section 8 shall toll the running of any time periods set forth in this Section 8 for the duration of any such breach or violation.

(d) TERMINATION OF RESTRICTION. Notwithstanding anything else contained herein, the restrictions set forth in this Section 8, and any restrictions set forth in the Non-competition Agreement, shall terminate immediately if the Employee should no longer (i) be an officer or director of the Company or (ii) own at least five percent (5%) of the outstanding shares of capital stock of the Company.

9. REMEDIES. The restrictions set forth in Sections 7 and 8 are considered by the parties to be fair and reasonable. The Employee acknowledges that the restrictions contained in Section 7 and 8 will not prevent him from earning a livelihood. The Employee further acknowledges that the Company would be irreparably harmed and that monetary damages would not provide an adequate remedy in the event of a breach of the provisions of Sections 7 or 8. Accordingly, the Employee agrees that, in addition to any other remedies available to the Company, the Company (i) shall be entitled to specific performance, injunction, and other equitable relief to secure the enforcement of such provisions and (ii) shall not be required to post bond in connection with seeking any such equitable remedies. If any provisions of Sections 7, 8, or 9 relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, the maximum time period, scope of activities or geographic area, as the case may be,

shall be reduced to the maximum which such court deems enforceable. If any provisions of Sections 7, 8, or 9 other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties.

10. TERMINATION. This Agreement may be terminated prior to the expiration of the Term set forth in Section 2 upon the occurrence of any of the events set forth in, and subject to the terms of, this Section 10.

(a) DEATH. This Agreement will terminate immediately and automatically upon the death of the Employee. If this Agreement is terminated on account of the death of the Employee, then the Employee's estate shall be entitled to receive accrued Base Compensation and bonus through the date of such termination, and the Employee and the Employee's estate shall have no further entitlement to Base Compensation, bonus, or benefits, other than the proceeds of the Life Insurance, from the Company following the effective date of such termination.

(b) DISABILITY. This Agreement may be terminated at the Company's option, immediately upon notice to the Employee, if the Employee shall suffer a permanent disability. For the purposes of this Agreement, the term "permanent disability" shall mean the Employee's inability to perform his duties under this Agreement for a period of sixty (60) consecutive days or for an aggregate of ninety (90) days, whether or not consecutive, in any twelve (12) month period, due to illness, accident or any other physical or mental incapacity, as reasonably determined by the Board of Directors of the Company. In the event that a dispute arises with respect to the disability of the Employee, the parties shall each select a physician licensed to practice in the State of Connecticut to make such a determination. If the two (2) physicians selected cannot agree on a determination, they will mutually select a third physician and the decision of the majority of the three (3) physicians will be binding. If this Agreement is terminated on account of the permanent disability of the Employee, then the Employee shall be entitled to receive accrued Base Compensation and bonus through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination.

(c) CAUSE. This Agreement may be terminated at the Company's option, immediately upon notice to the Employee, and solely with respect to clauses (i) and (iii) below, after the expiration of a 10-day cure period after written notice thereof to the Employee, upon: (i) breach by the Employee of any material provision of this Agreement; (ii) gross negligence or willful misconduct of the Employee in connection with the performance of his duties under this Agreement; (iii) Employee's failure to perform any reasonable directive of the Board of Directors of the Company; or (iv) fraud, criminal conduct, dishonesty or embezzlement by the Employee. If this Agreement is terminated by the Company for cause, then the Employee shall be entitled to receive accrued Base Compensation through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination.

(d) WITHOUT CAUSE. This Agreement may be terminated, other than upon a Change in Control, at any time by the Company without cause immediately upon giving written notice to the Employee of such termination. In such event, Company shall pay to the Employee his accrued bonus through the date of termination and shall continue to pay to the Employee his Base Compensation in accordance with the normal payroll practices of the Company for twenty-four (24) months after the effective date of such termination, and the

Employee shall have no further entitlement to bonus or benefits from the Company following the effective date of such termination. Notwithstanding anything else contained herein, in the event that this Agreement is terminated by the Company

without cause, then any options for the purchase of common stock, par value \$.0001, of the Company ("Common Stock") held by the Employee shall vest and become immediately exercisable and salable and any restrictions applicable to any restricted stock award granted to the Employee shall automatically expire and such shares of restricted stock shall vest and become immediately exercisable and salable

(e) CHANGE IN CONTROL. (i) This Agreement may be terminated by the Company or the Employee within ninety (90) days after the effectiveness of a Change in Control. In such event, Company shall pay to the Employee his accrued bonus through the date of termination and shall continue to pay to the Employee his Base Compensation in accordance with the normal payroll practices of the Company for twenty-four (24) months after the effective date of such termination. Notwithstanding anything else contained herein, in the event that this Agreement is terminated by the Company without cause or by the Employee in connection with a Change in Control, then any options for the purchase of Common Stock of the Company held by the Employee shall vest and become immediately exercisable and salable and any restrictions applicable to any restricted stock award granted to the Employee shall automatically expire and such shares of restricted stock shall vest and become immediately exercisable and salable. In the event a Change in Control should occur prior to the grant to the Employee of at least 500,000 shares of restricted Common Stock, the Company shall pay to the Employee, in a lump sum payment simultaneously with the effectiveness of such Change in Control, an amount equal to (i) the higher of (a) the opening price of the Company's Common Stock, as listed on any national securities exchange, on the date of such Change in Control and (b) the value attributed to shares of the Company's Common Stock pursuant to such Change in Control times (ii) the result derived from subtracting the number of any shares of restricted stock granted to the Employee as of such Change in Control from five-hundred thousand (500,000), provided that for the purpose of such calculation, such result shall not be less than zero (0). In addition, upon a termination of this Agreement in connection with a Change in Control, the restrictions set forth in Section 8 hereof shall terminate, effective upon the consummation of such Change in Control. Except as set forth in this Section 10(e), the Employee shall have no further entitlement to bonus or benefits from the Company following the effective date of such termination.

(ii) As used herein, "Change in Control" shall mean any of the following:

(a) The date any entity or person other than the Employee or his affiliates shall have become the beneficial owner of, or shall have obtained voting control over, fifty percent (50%) or more of the outstanding Common Stock of the Company;

(b) The date there shall have been a change in a majority of the Board of Directors of the Company within a 12-month period (not including any period prior to the execution of this Agreement) unless the nomination for election by the Company's stockholders of each new director was approved by the vote of a majority of the directors then still in office who were in office at the beginning of the 12-month period;

(c) The date the Company consummates (x) a merger or consolidation of the Company with or into another corporation, in which the Company is not the continuing or surviving corporation or pursuant to which any shares of Common Stock of the

Company would be converted into cash, securities or other property of another corporation, other than (i) a merger or consolidation of the Company in which holders of Common Stock immediately prior to such merger or consolidation have the same proportionate ownership of Common Stock of the surviving corporation immediately after such merger or consolidation as immediately before such merger or consolidation and (ii) a merger or consolidation of the Company in which holders of Common Stock immediately prior to such merger or consolidation continue to own at least a majority of the combined voting securities of the Company (or the surviving entity) outstanding immediately after such merger or consolidation, or (y) the sale or other disposition of all or substantially all of the assets of the Company.

(f) BY THE EMPLOYEE. This Agreement may be terminated at the Employee's option upon thirty (30) days' notice to the Company. If this Agreement is terminated by the Employee, then the Employee shall be entitled to receive accrued Base Compensation and bonus through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination.

11. TAX GROSS-UP AMOUNT. In the event that any amount or benefit paid or distributed to the Employee pursuant to this Agreement, taken together with any amounts or benefits otherwise paid or distributed to the Employee by the Company or any affiliated company (collectively, the "Covered Payments"), would be an excess parachute payment "as defined in Section 280G of the Code and would thereby subject the Employee to the tax (the "Excise Tax") imposed under Section 4999 of the Code (or any similar tax that may hereafter be imposed), then the Company will reimburse the Employee in an amount equal to the "Tax Gross-Up Amount" (as defined in the next sentence). The Tax Gross-Up Amount means an amount equal to the sum of the Excise Tax, any other similar federal tax and the amount of any other additional federal tax, including any additional income tax, arising as a result of any payment pursuant to this Section 7(d), which sum may be due and payable by the Employee or withheld by the Company (collectively, the "Total Taxes") so that the Employee receives actual payments or benefits, after payment or withholding, in an amount no less than that which would have been received by him or her if no obligation for Total Taxes had arisen.

12. MISCELLANEOUS.

(a) SURVIVAL. The provisions of Sections 7, 8, 9, 10, 11, and 12 shall survive the termination of this Agreement.

(b) ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the parties and merges and supersedes any prior or contemporaneous agreements between the parties pertaining to the subject matter hereof.

(c) MODIFICATION. This Agreement may not be modified or terminated orally, and no modification or waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

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(d) WAIVER. Failure of a party to enforce one or more of the provisions of this Agreement or to require at any time performance of any of the obligations hereof shall not be construed to be a waiver of such provisions by such party nor to in any way affect the validity of this Agreement or such party's right thereafter to enforce any provision of this Agreement, nor to preclude such party from taking any other action at any time which it would legally be entitled to take.

(e) SUCCESSORS AND ASSIGNS. Neither party shall have the right to assign this Agreement, or any rights or obligations hereunder, without the consent of the other party; provided, however, that upon the sale of all or substantially all of the assets, business and goodwill of the Company to another company, or upon the merger or consolidation of the Company with another company, this Agreement shall inure to the benefit of, and be binding upon, both Employee and the company purchasing such assets, business and goodwill, or surviving such merger or consolidation, as the case may be, in the same manner and to the same extent as though such other company were the Company; and provided, further, that the Company shall have the right to assign this Agreement to any affiliate or subsidiary of the Company. Subject to the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their legal representatives, heirs, successors and permitted assigns.

(f) COMMUNICATIONS. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been given at the time personally delivered or when mailed in any United States post office enclosed in a registered or certified postage prepaid envelope and addressed to the addresses set forth below, or to such other

address as any party may specify by notice to the other party; provided, however, that any notice of change of address shall be effective only upon receipt.

TO THE COMPANY: Clarus Corporation
3970 Johns Creek Court
Suwanee, Georgia 30024
Attention: Warren B. Kanders

WITH A COPY TO: Kane Kessler, P.C.
1350 Avenue of the Americas
New York, New York 10019
Attention: Robert L. Lawrence, Esq.

TO THE EMPLOYEE: Warren B. Kanders
2 Soundview Drive
Greenwich, CT 06830

(g) SEVERABILITY. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity and enforceability of the other provisions of this Agreement and the provision held to be invalid or unenforceable shall be enforced as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability.

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(h) JURISDICTION; VENUE. This Agreement shall be subject to the exclusive jurisdiction of the courts located in New York County, New York. Any breach of any provisions of this Agreement shall be deemed to be a breach occurring in the State of New York by virtue of a failure to perform an act required to be performed in the State of New York, and the parties irrevocably and expressly agree to submit to the jurisdiction of the courts located in New York County, New York for the purpose of resolving any disputes among them relating to this Agreement or the transactions contemplated by this Agreement and waive any objections on the grounds of forum non conveniens or otherwise. The parties hereto agree to service of process by certified or registered United States mail, postage prepaid, addressed to the party in question.

(i) GOVERNING LAW. This Agreement is made and executed and shall be governed by the laws of the State of New York, without regard to the conflicts of law principles thereof.

(j) NO THIRD-PARTY BENEFICIARIES. Each of the provisions of this Agreement is for the sole and exclusive benefit of the parties hereto and shall not be deemed for the benefit of any other person or entity.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

CLARUS CORPORATION

By: /s/ Nigel P. Ekern

Name: Nigel P. Ekern
Title: Chief Administrative Officer

/s/ Warren B. Kanders

Warren B. Kanders

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 6, 2002, is entered into between CLARUS CORPORATION, a Delaware corporation (the "Company") and NIGEL P. EKERN (the "Employee").

W I T N E S S E T H :

WHEREAS, the Company desires to employ the Employee and to be assured of his services on the terms and conditions hereinafter set forth; and

WHEREAS, the Employee is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, the Company and the Employee hereby agree as follows:

1. EMPLOYMENT. The Company hereby employs the Employee on the terms set forth below, and the Employee accepts such employment, upon the terms and subject to the conditions set forth in this Agreement.

2. TERM. The term of this Agreement shall commence on November 25, 2002, subject to the approval of this Agreement by the Board of Directors of the Company (the "Effective Date") and shall terminate on the third anniversary of the Effective Date, subject to earlier termination pursuant to the provisions of Section 10 hereof (the "Term").

3. DUTIES. (a) During the Term of this Agreement, the Employee shall serve as the Chief Administrative Officer and Secretary of the Company, or in such other executive capacity as may be assigned to him, and shall perform all duties commensurate with his position and as may be assigned to him by the Executive Chairman of the Company or such other person(s) as may be designated by the Board of Directors of the Company. The Employee shall devote as much time as is necessary to perform his duties hereunder and shall use his best efforts, skills and abilities to promote the interests of the Company and to diligently and competently perform the duties of his position. The Employee's performance shall be subject to annual review.

(b) The Employee shall report to the Executive Chairman of the Company or such other person(s) as may be designated by the Board of Directors of the Company and shall at all times keep the such persons promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company, and provide such explanations of his conduct as may be required.

(c) The Employee's duties shall be performed at the Corporation's offices in Greenwich, Connecticut. The Employee shall travel to other locations as may be necessary for Employee to perform his duties.

4. COMPENSATION AND BENEFITS. (a) During the term of this Agreement, the Company shall pay to the Employee, and the Employee shall accept from the Company, as compensation for the performance of services under this Agreement and the Employee's observance and performance of all of the provisions hereof, a salary of \$175,000 per year (the "Base Compensation"). The Employee's salary shall be payable in accordance with the normal payroll practices of the Company and shall be subject to withholding for applicable taxes and other amounts. In addition to the Base Compensation, the Employee may, in the sole and absolute discretion of the Board of Directors of the Company, be entitled to performance bonuses which may be based upon a variety of factors, including the Employee's performance and the achievement of Company goals, all as determined in the sole and absolute discretion of the Board of Directors of the Company.

(b) During the term of this Agreement, the Employee shall be entitled to participate in or benefit from, in accordance with the eligibility and other provisions thereof, the Company's medical insurance and other fringe benefit plans or policies as the Company may make available to, or have in effect for, its personnel with commensurate duties from time to time. In

addition, during the Term the Company shall maintain term life insurance on the Employee in the amount of \$2,000,000 for the benefit of the Employee's designees (the "Life Insurance"). The Company retains the right to terminate or alter any such plans or policies from time to time. The Employee shall also be entitled to four weeks paid vacation each year, sick leave and other similar benefits in accordance with policies of the Company from time to time in effect for personnel with commensurate duties.

(c) The Employee shall also be entitled to participate, at the sole and absolute discretion of the Board of Directors of the Company, in the Company's incentive stock option plan. Such participation shall be based upon, among other things, the Employee's performance and the Company's performance. In addition, the Employee may be entitled, during the term of this Agreement, to receive such additional options, at such exercise prices and other terms, and/or to participate in such other bonus plans, whether during the term of this Agreement or upon termination pursuant to Section 10 hereof, as the Board of Directors of the Company may, in its sole and absolute discretion, determine. In addition to the foregoing, the Employee shall be entitled to receive options to purchase up to 200,000 shares of the Company's common stock, par value \$.0001 per share ("Common Stock"), having an exercise price of \$5.35 per share and vesting over five (5) years, with one-fifth of such options to vest on each annual anniversary of the date of issuance.

5. REIMBURSEMENT OF BUSINESS EXPENSES. During the term of this Agreement, upon submission of proper invoices, receipts or other supporting documentation satisfactory to the Company and in specific accordance with such guidelines as may be established from time to time by the Company's Board of Directors, the Employee shall be reimbursed by the Company for all reasonable business expenses actually and necessarily

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incurred by the Employee on behalf of the Company in connection with the performance of services under this Agreement.

6. REPRESENTATION OF EMPLOYEE; RESTRICTIONS ON SALE. (a) The Employee represents and warrants that he is not party to, or bound by, any agreement or commitment, or subject to any restriction, including but not limited to agreements related to previous employment containing confidentiality or noncompete covenants, which in the future may have a possibility of adversely affecting the business of the Company or the performance by the Employee of his duties under this Agreement.

(b) The Employee further covenants and agrees that he will not sell, transfer, assign, pledge or otherwise dispose of any shares of capital stock or securities convertible into capital stock of the Company granted pursuant to any stock incentive or similar plan of the Company until the third anniversary of the Effective Date and such restrictions on dispositions shall apply upon a termination of this Agreement for cause as described in Section 10(c) hereof; provided, however, that the restrictions with respect to such dispositions as set forth in this sentence shall not apply to the Employee in the event of a termination of this Agreement pursuant to Sections 10(a), 10(b) or 10(d) hereof. With respect to any shares of capital stock or securities convertible into capital stock of the Company that are owned by Employee other than those granted to Employee pursuant to this Agreement, the Employee shall give to the Company's Executive Chairman or such other designated member of the Board of Directors of the Company five business days advance written notice of any intent to sell such securities. Such restrictions on disposition may also be waived from time to time in the sole and absolute discretion of the Company's Board of Directors. Notwithstanding the foregoing, Employee shall, to the extent permitted under applicable law, rule or regulation, be permitted to transfer shares of capital stock or securities convertible into capital stock of the Company to his immediate family members or trusts for the benefit of his immediate family members for estate planning purposes; provided that any such transferees shall be subject to the restrictions applicable to Employee set forth herein.

7. CONFIDENTIALITY. For purposes of this Section 7, all references to the Company shall be deemed to include all of the Company's affiliates and subsidiaries.

(A) CONFIDENTIAL INFORMATION. The Employee acknowledges that as a result of his employment with the Company, the Employee has and will

continue to have knowledge of, and access to, proprietary and confidential information of the Company, including, without limitation, inventions, trade secrets, technical information, know-how, plans, specifications, methods of operations, financial and marketing information, information with respect to business and product development, including, without limitation, acquisitions and new lines of business, and the identity of customers and suppliers (collectively, the "Confidential Information"), and that such information, even though it may be contributed, developed or acquired by the Employee, constitutes valuable, special and unique assets of the Company developed at great expense which are the exclusive property of the Company. Accordingly, the Employee shall not, at any time, either during or subsequent to the term of this Agreement, use (whether for personal gain or otherwise), reveal, report, publish, transfer or otherwise disclose to any person, corporation or other entity, any of the Confidential Information without the prior

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written consent of the Company, except (i) to responsible officers and employees of the Company and other responsible persons who are in a contractual or fiduciary relationship with the Company and who have a need for such information for purposes in the best interests of the Company, (ii) for such information which is or becomes of general public knowledge from authorized sources other than the Employee, and (iii) for such disclosure as is required by law or legal process and then only with as much prior written notice to the Company as is practical under the circumstances and only to the extent required by such law or legal process. The Employee acknowledges that the Company would not enter into this Agreement without the assurance that all such Confidential Information will be used for the exclusive benefit of the Company.

(B) RETURN OF CONFIDENTIAL INFORMATION. Upon the termination of Employee's employment with the Company, the Employee shall promptly deliver to the Company all drawings, manuals, letters, notes, notebooks, reports and copies thereof and all other materials relating to the Company's business, including without limitation any materials incorporating Confidential Information, which are in the Employee's possession or control.

(C) INVENTIONS, ETC. The Employee will promptly disclose to the Company all designs, processes, inventions, improvements, discoveries and other information related to the business of the Company (collectively "developments") conceived, developed or acquired by him alone or with others during the term of this Agreement, whether or not conceived during regular working hours, through the use of Company time, material or facilities or otherwise. All such developments shall be the sole and exclusive property of the Company, and upon request the Employee shall deliver to the Company all drawings, models and other data and records relating to such developments. In the event any such developments shall be deemed by the Company to be patentable or copyrightable, the Employee shall, at the expense of the Company, assist the Company in obtaining any patents or copyrights thereon and execute all documents and do all other things necessary or proper to obtain letters patent and copyrights and to vest the Company with full title thereto.

8. NON-COMPETITION. For purposes of this Section 8, all references to the Company shall be deemed to include all of the Company's affiliates and subsidiaries. The Employee will not utilize his special knowledge of the business operations of the Company and his relationships with customers, suppliers of the Company and others to compete with the Company. During the Term of this Agreement and for a period of two (2) years after the expiration or termination of this Agreement, the Employee shall not engage, directly or indirectly, or have an interest, directly or indirectly, anywhere in the United States of America or any other geographic area where the Company does business or in which its products or services are marketed, alone or in association with others, as principal, officer, agent, employee, director, partner or stockholder (except with respect to his employment by the Company), or through the investment of capital, lending of money or property, rendering of services or otherwise, in any business competitive with or substantially similar to that engaged in by the Company during the Term of this Agreement, or any line of business or acquisition that the Company either (i) contemplates entering into, whether or not actually entered into, or (ii) has obtained due diligence or other information on during Employee's employment with the Company (it being understood hereby, that the ownership by the Employee of five percent (5%) or less of the stock

of any company listed on a national securities exchange shall not be deemed a violation of this Section 8 and it being further understood that nothing herein shall prevent the Employee from engaging in the business of investing, reinvesting, or trading in securities or other financial instruments). During the same period, the Employee shall not, and shall not permit any of his employees, agents or others under his control to, directly or indirectly, on behalf of himself or any other person, (i) call upon, accept competitive business from, or solicit the competitive business of any person who is, or who had been at any time during the preceding two (2) years, a customer of the Company or any successor to the business of the Company, or otherwise divert or attempt to divert any business from the Company or any such successor, or (ii) directly or indirectly recruit or otherwise solicit or induce any person who is an employee of, or otherwise engaged by, the Company or any successor to the business of the Company to terminate his or her employment or other relationship with the Company or such successor, or hire any person who has left the employ of the Company or any such successor during the preceding two (2) years. The Employee shall not at any time, directly or indirectly, use or purport to authorize any person to use any name, mark, logo, trade dress or other identifying words or images which are the same as or similar to those used at any time by the Company in connection with any product or service, whether or not such use would be in a business competitive with that of the Company. Any breach or violation by the Employee of the provisions of this Section 8 shall toll the running of any time periods set forth in this Section 8 for the duration of any such breach or violation.

9. REMEDIES. The restrictions set forth in Sections 7 and 8 are considered by the parties to be fair and reasonable. The Employee acknowledges that the restrictions contained in Section 7 and 8 will not prevent him from earning a livelihood. The Employee further acknowledges that the Company would be irreparably harmed and that monetary damages would not provide an adequate remedy in the event of a breach of the provisions of Sections 7 or 8. Accordingly, the Employee agrees that, in addition to any other remedies available to the Company, the Company (i) shall be entitled to specific performance, injunction, and other equitable relief to secure the enforcement of such provisions and (ii) shall not be required to post bond in connection with seeking any such equitable remedies. If any provisions of Sections 7, 8, or 9 relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, the maximum time period, scope of activities or geographic area, as the case may be, shall be reduced to the maximum which such court deems enforceable. If any provisions of Sections 7, 8, or 9 other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties.

10. TERMINATION. This Agreement may be terminated prior to the expiration of the Term set forth in Section 2 upon the occurrence of any of the events set forth in, and subject to the terms of, this Section 10.

(A) DEATH. This Agreement will terminate immediately and automatically upon the death of the Employee. If this Agreement is terminated on account of the death of the Employee, then the Employee's estate shall be entitled to receive accrued Base

Compensation through the date of such termination, and the Employee and the Employee's estate shall have no further entitlement to Base Compensation, bonus, or benefits, other than the proceeds of the Life Insurance, from the Company following the effective date of such termination.

(B) DISABILITY. This Agreement may be terminated at the Company's option, immediately upon notice to the Employee, if the Employee shall suffer a permanent disability. For the purposes of this Agreement, the term "permanent disability" shall mean the Employee's inability to perform his duties under this Agreement for a period of sixty (60) consecutive days or for an aggregate of ninety (90) days, whether or not consecutive, in any twelve (12) month period, due to illness, accident or any other physical or mental incapacity, as reasonably determined by the Board of Directors of the Company.

In the event that a dispute arises with respect to the disability of the Employee, the parties shall each select a physician licensed to practice in the State of Connecticut to make such a determination. If the two (2) physicians selected cannot agree on a determination, they will mutually select a third physician and the decision of the majority of the three (3) physicians will be binding. If this Agreement is terminated on account of the permanent disability of the Employee, then the Employee shall be entitled to receive accrued Base Compensation through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination.

(C) CAUSE. This Agreement may be terminated at the Company's option, immediately upon notice to the Employee, and solely with respect to clauses (i) and (iii) below, after the expiration of a 10-day cure period after written notice thereof to the Employee, upon: (i) breach by the Employee of any material provision of this Agreement; (ii) gross negligence or willful misconduct of the Employee in connection with the performance of his duties under this Agreement; (iii) Employee's failure to perform any reasonable directive of the Executive Chairman or the Board of Directors of the Company; (iv) fraud, criminal conduct, dishonesty or embezzlement by the Employee; or (v) Employee's misappropriation for personal use of any assets (having in excess of nominal value) or business opportunities of the Company. If this Agreement is terminated by the Company for cause, then the Employee shall be entitled to receive accrued Base Compensation through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination.

(D) WITHOUT CAUSE. This Agreement may be terminated, other than upon a Change in Control, at any time by the Company without cause immediately upon giving written notice to the Employee of such termination. In such event, Company shall continue to pay to the Employee his Base Compensation in accordance with the normal payroll practices of the Company for (i) if such termination occurs prior to June 30, 2003, six (6) months after the effective date of such termination or (ii) if such termination occurs after June 30, 2003, twelve (12) months after the effective date of such termination, and the Employee shall have no further entitlement to bonus or benefits from the Company following the effective date of such termination. Notwithstanding anything else contained herein, in the event that this Agreement is terminated, other than upon a Change in Control, by the Company without cause, then a pro rata portion of all options for the purchase of Common Stock of the Company held by the Employee

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and eligible for vesting during the calendar year in which such termination occurs shall vest and become immediately exercisable and salable, based upon the number of days elapsed since the end of the most recent calendar year and the date of such termination.

(E) CHANGE IN CONTROL. (i) This Agreement may be terminated by the Company upon the effectiveness of a Change in Control. If this Agreement is terminated by the Company upon a Change in Control, then the Employee shall be entitled to receive accrued Base Compensation through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination. Notwithstanding anything else contained herein, in the event that this Agreement is terminated by the Company upon a Change in Control prior to the expiration of the Term, all options for the purchase of Common Stock of the Company held by the Employee shall vest and become immediately exercisable and saleable.

(ii) As used herein, "Change in Control" shall mean any of the following:

(a) The date any entity or person other than Warren Kanders or his affiliates shall have become the beneficial owner of, or shall have obtained voting control over, fifty percent (50%) or more of the outstanding Common Stock of the Company;

(b) The date there shall have been a change in a majority of the Board of Directors of the Company within a 12-month period (not including any period prior to the execution of this Agreement) unless the nomination for election by the Company's stockholders of each new director was

approved by the vote of a majority of the directors then still in office who were in office at the beginning of the 12-month period;

(c) The date the Company consummates (x) a merger or consolidation of the Company with or into another corporation, in which the Company is not the continuing or surviving corporation or pursuant to which any shares of Common Stock of the Company would be converted into cash, securities or other property of another corporation, other than (i) a merger or consolidation of the Company in which holders of Common Stock immediately prior to such merger or consolidation have the same proportionate ownership of Common Stock of the surviving corporation immediately after such merger or consolidation as immediately before such merger or consolidation and (ii) a merger or consolidation of the Company in which holders of Common Stock immediately prior to such merger or consolidation continue to own at least a majority of the combined voting securities of the Company (or the surviving entity) outstanding immediately after such merger or consolidation, or (y) the sale or other disposition of all or substantially all of the assets of the Company.

(F) BY THE EMPLOYEE. This Agreement may be terminated at the Employee's option upon thirty (30) days' notice to the Company. If this Agreement is terminated by the Employee, then the Employee shall be entitled to receive accrued Base Compensation through the date of such termination, and the Employee shall have no further entitlement to Base Compensation, bonus, or benefits from the Company following the effective date of such termination.

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(G) OTHER ACTIONS UPON TERMINATION. (i) Upon the termination or expiration of this Agreement, the Employee shall be deemed to have immediately resigned as an officer and director of the Company (if he then holds such offices). The Employee shall take such other actions and execute such other documents or instruments as may be required or advisable to document and confirm his resignation and ensure its effectiveness.

(ii) The Employee shall not at any time following the termination or expiration of this Agreement make any public statements relating to the Company or any of its subsidiaries or affiliates or such entities' directors, officers or executives, except as required by law or legal process or in connection with litigation commenced to enforce the terms of this Agreement.

(H) NO OTHER LIABILITIES. Upon the termination or expiration of this Agreement, the Company shall have no liability except as specifically set forth in this Section 10.

11. TAX EFFECT. If the compensation payable under this Agreement, either alone or together with other payments to the Employee from the Company or one of its subsidiaries would constitute a "parachute payment" (as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code")), such severance compensation may be reduced to the largest amount as will result in no portion of the severance compensation payments hereunder being subject to the excise tax imposed by Section 4999 of the Code or being disallowed as deductions to the Company under Section 280G of the Code. The determination of whether any reduction shall be made in the severance compensation payments hereunder pursuant to the foregoing provision shall be made jointly by the Employee and the Company. The Employee shall be liable for the payment of income and excise taxes, if any, applicable to him on such severance compensation.

12. MISCELLANEOUS.

(A) SURVIVAL. The provisions of Sections 7, 8, and 9 shall survive the termination of this Agreement.

(B) ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the parties and merges and supersedes any prior or contemporaneous agreements between the parties pertaining to the subject matter hereof.

(C) MODIFICATION. This Agreement may not be modified or terminated orally, and no modification or waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

(D) WAIVER. Failure of a party to enforce one or more of the provisions of this Agreement or to require at any time performance of any of the obligations hereof shall not be construed to be a waiver of such provisions by such party nor to in any way affect the validity of this Agreement or such party's right thereafter to enforce any provision of

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this Agreement, nor to preclude such party from taking any other action at any time which it would legally be entitled to take.

(E) SUCCESSORS AND ASSIGNS. Neither party shall have the right to assign this Agreement, or any rights or obligations hereunder, without the consent of the other party; provided, however, that upon the sale of all or substantially all of the assets, business and goodwill of the Company to another company, or upon the merger or consolidation of the Company with another company, this Agreement shall inure to the benefit of, and be binding upon, both Employee and the company purchasing such assets, business and goodwill, or surviving such merger or consolidation, as the case may be, in the same manner and to the same extent as though such other company were the Company; and provided, further, that the Company shall have the right to assign this Agreement to any affiliate or subsidiary of the Company. Subject to the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their legal representatives, heirs, successors and permitted assigns.

(F) COMMUNICATIONS. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been given at the time personally delivered or when mailed in any United States post office enclosed in a registered or certified postage prepaid envelope and addressed to the addresses set forth below, or to such other address as any party may specify by notice to the other party; provided, however, that any notice of change of address shall be effective only upon receipt.

TO THE COMPANY: Clarus Corporation
3970 Johns Creek Court
Suwanee, Georgia 30024
Attention: Warren B. Kanders

WITH A COPY TO: Kane Kessler, P.C.
1350 Avenue of the Americas
New York, New York 10019
Attention: Robert L. Lawrence, Esq.

TO THE EMPLOYEE: Nigel P. Ekern
741 Hollow Tree Ridge Road
Darien, CT 06820

(G) SEVERABILITY. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity and enforceability of the other provisions of this Agreement and the provision held to be invalid or unenforceable shall be enforced as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability.

(H) JURISDICTION; VENUE. This Agreement shall be subject to the exclusive jurisdiction of the courts located in New York County, New York. Any breach of any provisions of this Agreement shall be deemed to be a breach occurring in the State of New York by virtue of a failure to perform an act required to be performed in the State of New York, and

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the parties irrevocably and expressly agree to submit to the jurisdiction of the courts located in New York County, New York for the purpose of resolving any disputes among them relating to this Agreement or the transactions contemplated by this Agreement and waive any objections on the grounds of forum non conveniens or otherwise. The parties hereto agree to service of process by certified or registered United States mail, postage prepaid, addressed to the party in question.

(I) GOVERNING LAW. This Agreement is made and executed and

shall be governed by the laws of the State of New York, without regard to the conflicts of law principles thereof.

(J) NO THIRD-PARTY BENEFICIARIES. Each of the provisions of this Agreement is for the sole and exclusive benefit of the parties hereto and shall not be deemed for the benefit of any other person or entity.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement as of the date set forth above.

CLARUS CORPORATION

By: /s/ Warren B. Kanders

Name: Warren B. Kanders
Title: Executive Chairman

/s/ Nigel P. Ekern

Nigel P. Ekern

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement"), is made and entered into on the 6th day of December, 2002, effective as of the Effective Date set forth below, by and between Clarus Corporation, a Delaware corporation, ("Company") and Stephen P. Jeffery, a Georgia resident ("Consultant").

WHEREAS, Consultant has valuable experience, know-how and expertise that will be beneficial to Company, and Company desires to retain Consultant to render certain valuable Services (as defined herein) to Company from time to time as a consultant and independent contractor; and

WHEREAS, Consultant desires to perform such Services for Company on those terms set forth below; and

WHEREAS, Company and Consultant desire to set forth in writing all of the covenants, terms and conditions of their agreement and understanding as to such performance of said Services;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. TERM. The term of this Agreement shall commence on the closing (the "Closing") of the sale of Company's assets to Epicor Software Corporation ("Epicor"), which is currently contemplated to occur on December 6, 2002 (the "Effective Date") and shall cease on the third anniversary of the Effective Date.
2. SERVICES. Company hereby retains Consultant as an independent contractor and consultant for Company for the performance of such services as shall be assigned to him by the Executive Chairman of the Board or the Board of Directors of the Company including matters relating to (i) assistance with the transition of the Company's e-commerce business to EPICOR, (ii) the Company's e-commerce business after the Closing, (iii) identification, selection, negotiation with and due diligence review of candidates for merger or acquisition (collectively, the "Services"). The Consultant shall report to the Executive Chairman of the Board.

Consultant agrees to devote his commercially reasonable best efforts to the performance of such Services and to use as high a degree of skill and care and devote such time as is necessary to perform such Services, it being understood and agreed that the Consultant shall not be required to devote his full time throughout the term to perform such services. The Company acknowledges that Consultant may be otherwise in the service of other entities or persons (such services, "Other Services") during the term of this Agreement subject to Sections 2 and 9 and the other terms of this Agreement.

3. COMPENSATION AND RELATED ISSUES.
 - (a) COMPENSATION. As compensation for the performance of the Services under this Agreement, the Company shall pay Consultant the aggregate sum of \$250,000, payable in twenty-four (24) equal monthly installments commencing thirty (30) days after the Effective Date; provided, however, that in the event the Consultant terminates this Agreement, other than upon a Change of Control, he shall refund and pay to the Company, within five (5) days of the date of any such termination

days elapsed from the Effective Date through the Termination Date.

- (b) EXPENSES. The Company shall also reimburse Consultant for all actual and other reasonable out-of-pocket expenses incurred by Consultant in the performance of the requested Services referenced in paragraph 1(a) above.
4. CONSULTING/INDEPENDENT CONTRACTOR ARRANGEMENT. The parties agree that this Agreement creates a consulting/independent contractor relationship, and nothing in this Agreement shall be deemed to create the relationship of partnership, joint venture or that of an employer and employee. The Consultant acknowledges and agrees that the Company will treat him as independent contractor for taxation purposes and that the Consultant shall be solely responsible for the payment of any and all taxes relating to his services hereunder. Consultant, as an independent contractor, waives any claim of rights or benefits normally afforded to Company employees with respect to his Services hereunder.
5. CONSULTANT/INDEPENDENT CONTRACTOR'S AUTHORITY. In his capacity as a consultant/independent contractor under this Agreement, Consultant acknowledges that he shall not have any power or authority to enter into any contract, undertaking or agreement for or on behalf of Company or to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of Company or to bind Company in any manner whatsoever, without the express authorization of Company.
6. CONFIDENTIAL INFORMATION AND TRADE SECRETS. During the term of this Agreement, Consultant will or may be making use of, acquiring, creating, or adding to certain valuable, unique, proprietary, and secret information of Company (whether tangible or intangible and whether or not electronically kept or stored), including business plans, processes, procedures, inventions, pricing policies, customer and prospect lists and contacts, contracts, sources and identity of vendors and contractors, financial information of customers and Company, and other proprietary documents, materials, or information relating to Company, its businesses and activities, proposed businesses and activities, or the manner in which Company does business, all of which is valuable to Company in conducting its business because the information is kept confidential and is not generally known to Company's competitors or to the general public ("Confidential Information"). Confidential Information does not include information generally known or easily obtained from public sources or public records.

Consultant acknowledges and agrees that to the extent that the Confidential Information constitutes a trade secret under applicable law, then Consultant shall forever protect and maintain the confidentiality of such trade secrets, and will refrain from disclosing, copying, or using any such trade secrets without Company's prior written consent, except as necessary in Consultant's performance of Services under this Agreement.

To the extent that the Confidential Information does not constitute a trade secret under applicable law, Consultant will, during the term of this Agreement and for a period of three (3) years following the date of the termination of this Agreement and, thereafter, to the extent required by fiduciary obligation or otherwise pursuant to applicable law, protect and maintain the confidentiality of the Confidential Information, and for the same

period, Consultant will refrain from disclosing, copying, or using any Confidential Information without Company's prior written consent, except, as necessary in Consultant's performance of Services under this Agreement. For purposes of this Section 6 the term Company shall include subsidiaries of

the Company and its direct and indirect parent entities, if the Company is part of a multitiered parent subsidiary ownership structure.

7. **TERMINATION.** This Agreement may be terminated prior to the expiration of the term as follows:
- (a) **DEATH OR DISABILITY.** This Agreement shall terminate automatically upon Consultant's death. In such event, the Company shall pay Consultant's estate any earned and unpaid compensation prorated through the date of death. If Consultant is prevented from performing his material duties hereunder as a result of physical or mental illness, injury or incapacity for either (i) a period of 45 consecutive days or (ii) more than 60 days in the aggregate in any twelve (12) month period, then the Company may terminate this Agreement upon written notice to Consultant.
 - (b) **FOR CAUSE.** Company may terminate this Agreement for Cause at any time upon notice to Consultant setting forth in reasonable detail the nature of such Cause. In the event that the Company terminates this Agreement for Cause, the Company shall not be obligated to pay any compensation to Consultant after the effective date of termination, other than compensation which has accrued and is unpaid through the date of termination.
 - (c) **WITHOUT CAUSE.** In the event Company terminates this Agreement without Cause, then Consultant shall be entitled to receipt of the remaining amount of compensation payable to Consultant hereunder in one lump sum, payable within thirty days following the date of such termination and all unvested stock options previously awarded to Consultant shall become fully vested.
 - (d) **CHANGE OF CONTROL.** Consultant may terminate this Agreement at any time during the three (3) month period beginning ninety days after a Change of Control has occurred by written notice given to the Company. In the event of such termination:
 - (i) Company shall pay to Consultant the remaining amount of compensation payable to Consultant hereunder in one lump sum, payable within thirty days following the date of such termination, and
 - (ii) All unvested stock options previously awarded to Consultant shall become fully vested.
8. **RETURN OF PROPERTY OF COMPANY.** Upon termination or expiration of this Agreement, Consultant agrees to immediately return to Company all property of Company (including but not limited to all documents, electronic files, records, computer disks or other tangible or intangible things that may or may not relate to or otherwise comprise Confidential Information or trade secrets (as defined by applicable law)) that Consultant created, used, possessed or maintained while working for Company from whatever source and whenever created, including all reproductions or excerpts thereof.

9. **PROTECTIVE COVENANTS.**
- (a) **NON-PIRACY OF EMPLOYEES.** During the term of this Agreement and for a period of two (2) years following the date of the termination of this Agreement, Consultant covenants and agrees that Consultant shall not, directly or cause any person or entity to indirectly, solicit, recruit, or hire (or attempt to solicit, recruit, or hire) or otherwise assist anyone in soliciting, recruiting, or

hiring, any employee of the Company who performed work for Company within the twelve month period prior to the date of termination of this Agreement or who was otherwise engaged or employed with Company at the time of termination of this Agreement and that, for said two year period, Consultant shall not otherwise encourage, solicit, or support any such employee(s) to leave their employment with Company.

- (b) **NON-SOLICITATION OF CUSTOMERS.** During the term of this Agreement and for a period of two (2) years following the date of the termination of this Agreement, Consultant agrees not to, directly or indirectly, solicit, divert, appropriate, or call upon with the intent of doing business with the customers or clients of Company, including prospects of Company, if the purpose of such activity is either to solicit these customers or clients or prospective customers or clients for a Competitive Business as herein defined (including but not limited to any Competitive Business started by Consultant) or to otherwise encourage any such customer or client to discontinue, reduce, or adversely alter the amount of its business with Company. Consultant acknowledges that due to Consultant's relationship with Company, Consultant has and will develop special contacts and relationships with Company's clients and prospects, and that it would be unfair and harmful to Company if Consultant took advantage of these relationships in a Competitive Business. A "Competitive Business" is an enterprise that is in the business of offering services and products that are similar or identical to those offered by the Company during Consultant's relationship with the Company.
- (c) **EXCEPTIONS TO PROTECTIVE COVENANTS.** It is understood and agreed by Consultant that the terms and provisions of subsections 6 and 9 (the "Restrictive Covenants") are not intended to restrict Consultant in the exercise of Consultant's skills or the use of knowledge or information that does not constitute Confidential Information. Consultant acknowledges the reasonableness of these Restrictive Covenants and their respective limitations, given Consultant's position with Company, the Company's business, and the aforementioned consideration, and Consultant agrees to strictly abide by the terms hereof.
- (d) **COVENANT NOT TO COMPETE.** By virtue of his prior relationship with the Company and the performance of the Services to the Company hereunder, Consultant shall be given an opportunity to, and shall have an obligation to, participate in strategic planning with respect to the Company and shall be made privy to the Company's strategy, development, pricing, and other matters specifically designed to address market opportunities and competition. Therefore, Consultant hereby affirms the covenants concerning noncompetition in his existing Employment Agreement with the Company, which shall survive termination of his employment, and further agrees that at such time as the Company has completed the acquisition of an operating business or assets,

whether through merger, reorganization, acquisition of stock or assets or otherwise (a "Transaction"), Consultant, if he has served as a director of the Company at any time within six (6) months prior to the approval of any such transaction, shall enter into a Noncompetition Agreement with the Company in which Consultant will agree that during the term of this Agreement and for a period of two (2) years following termination thereof, Consultant will not compete with the business as conducted by the Company within a geographic territory in which the Company and such acquired entity does business; provided, however,

that the Consultant shall be permitted to continue to perform any Other Services to the extent he is engaged to perform such services at the time the Company consummates a Transaction so long as the Consultant has been and continues to be in material compliance with the terms of this Agreement.

- (e) **SHARE RESTRICTION AGREEMENT.** Consultant hereby agrees that he will not, without the prior written consent of the Company (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise encumber or dispose of any shares of Common Stock of the Company owned by the Consultant on the date hereof (the "Owned Shares") or hereafter acquired or capable of being acquired upon the exercise of a stock option granted to Consultant by the Company (the "Option Shares"), whether such Common Stock is currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by Consultant, or publicly announce his intention to do any of the foregoing, for a period commencing on the date hereof and continuing thereafter as follows: (i) with respect to the Owned Shares, for a period commencing on the Effective Date and ending on December 31, 2003, (ii) with respect to the Option Shares, for a period commencing on the Effective Date and ending on December 31, 2004. Notwithstanding the release of the Owned Shares and Option Shares from the provisions of this paragraph 9(e), Consultant agrees that until December 6, 2005, at least an aggregate of 200,000 Owned Shares and Option Shares (as adjusted for any stock splits, combinations or dividends) owned by Consultant (whether Owned Shares or Option Shares) will remain subject to the restrictions of this paragraph 9(e). In the event that this Agreement is terminated by Company without Cause or by Consultant upon a Change of Control as provided in Section 7(d), the provisions of this Section 9(e) shall automatically terminate. The Consultant also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of shares of Common Stock or securities convertible into or exchangeable or exercisable for Common Stock held by the Consultant except in compliance with the foregoing restrictions.

10. WORK PRODUCT; INVENTIONS.

- (a) **OWNERSHIP BY COMPANY.** Company shall own all right, title and interest in and to all work product developed by Consultant in Consultant's provision of Services to Company, including without limitation, all works of authorship, all derivative works and patentable and unpatentable inventions and improvements, all copies of such works in whatever medium such copies are fixed or embodied,

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and all worldwide copyrights, trademarks, patents or other intellectual property rights in and to such works (collectively, the "Work Product"). All copyrightable materials of the Work Product shall be deemed a "work made for hire" for the purposes of U.S. Copyright Act, 17 U.S.C.ss. 101 et seq., as amended (the "Copyright Act").

- (b) **ASSIGNMENT AND TRANSFER.** In the event any right, title or interest in and to any of the Work Product (including without limitation all worldwide copyrights, trademarks, patents or other intellectual property rights therein)

does and shall not vest automatically in and with Company, Consultant agrees to and hereby does irrevocably assign, convey, and otherwise transfer to Company, and Company's respective successors and assigns, all such right, title and interest in and to the Work Product with no requirement of further consideration from or action by Consultant or Company.

(c) **REGISTRATION RIGHTS.** Company shall have the exclusive worldwide right to register, in all cases as "claimant" and when applicable as "author", all copyrights in and to any copyrightable element of the Work Product, and file any and all applicable renewals and extensions of such copyright registrations. Company shall also have the exclusive worldwide right to file applications for and obtain (i) patents on and for any of the Work Product in Consultant's name and (ii) assignments for the transfer of the ownership of any such patents to Company.

(d) **ADDITIONAL DOCUMENTS.** Consultant agrees to execute and deliver all documents requested by Company regarding or related to the ownership and/or other intellectual property rights and registrations specified herein. Consultant hereby further irrevocably designates and appoints Company as Consultant's agent and attorney-in-fact to act for and in Consultant's behalf and stead to execute, register and file any such assignments, applications, registrations, renewals and extensions and to do all other lawfully permitted acts to further the registration, prosecution and issuance of patents, copyright or similar protections with the same legal force and effect as if executed by Consultant.

11. **INJUNCTIVE RELIEF.** Consultant acknowledges that it may be difficult to calculate Company's damages from its breach of Sections 6, 9, or 10 and that money damages may therefore be an inadequate remedy. Accordingly, upon such breach, Consultant acknowledges that Company may seek and shall be entitled to injunctive relief against Consultant and/or other appropriate orders to restrain such breach. Nothing in this provision shall limit Company from seeking any other damages or relief provided by applicable law for breach of this Agreement or any section or provision hereof.

12. **ASSIGNMENT.** Due to the personal service nature of Consultant's obligations, Consultant may not assign this Agreement or his obligations hereunder. Subject to the restrictions in this subsection, this Agreement shall be binding upon and benefit the parties hereto and their respective heirs, successors, legal representatives, executors or assigns. The Company may not assign this Agreement or its obligations hereunder except to its successor or affiliate including resulting from a Change of Control or as Consultant may otherwise agree in writing

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13. **SEVERABILITY.** In the event a court of competent jurisdiction finds any provision herein (or subpart thereof) to be illegal or unenforceable, such court shall modify said provision(s) (or subpart(s) thereof) to make this Agreement valid and enforceable to the fullest extent possible to carry out the intent expressed by the provisions hereof. Any illegal or unenforceable provision (or subpart thereof) or any modification by any court, shall not affect the remainder of this Agreement, which shall continue at all times to be valid and enforceable.

14. **ENTIRE AGREEMENT; MODIFICATION.** This Agreement constitutes the entire understanding between the parties regarding the subject matters addressed herein and supersedes any prior oral or written agreements, promises, representations, warranties or inducements between or by the parties. The benefits accorded to Consultant hereunder are (i) in lieu of, the benefits to which he is entitled under that certain Employment Agreement dated

January 1, 2000, as amended except for (A) continued payments of Base Salary (as defined in such Employment Agreement) until the first anniversary of the Change of Control (as defined in such Employment Agreement) and (B) medical insurance coverage contemplated by the second sentence of Section 4(c) of such Employment Agreement, and (ii) in addition to any stock option agreement between the parties.

15. **GOVERNING LAW; FORUM SELECTION.** This Agreement is executed within the State of New York and shall be governed by the laws of the State of New York without regard to the conflicts of laws provisions of said State. In the event of any litigation arising out of or relating to this Agreement or the parties' contractual relationship, the parties designate the state or federal court in New York County, State of New York, as the exclusive forum for the litigation. Consultant hereby expressly agrees to jurisdiction and venue in this Court and waives any defenses to this forum and venue selection.
16. **NEGOTIATED AGREEMENT.** Consultant and Company agree that this Agreement shall be construed as drafted by both of them, as parties of equivalent bargaining power and not for or against either of them as drafter.
17. **REVIEW AND RECEIPT OF THIS AGREEMENT.** Consultant acknowledges that Consultant has had an opportunity to read, review and consider the provisions of this Agreement, that Consultant has in fact read and does understand such provisions and that Consultant has voluntarily entered into this Agreement.
18. **DEFINITIONS.** As used in this Agreement, the following terms shall have the following meanings:
 - (a) "CAUSE."
 - (i) Consultant's repeated failure to perform (other than by reason of disability), or gross negligence in the performance of, his material duties and responsibilities hereunder and the continuance of such failure or negligence for a period of thirty (30) days after notice to the Consultant;
 - (ii) Material breach by Consultant of any provision of this Agreement or any other written agreement between Consultant and Company or any of its affiliates; and
 - (iii) Other conduct by the Consultant that involves a material violation of law

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or breach of fiduciary obligation on the part of Consultant or is otherwise materially harmful to the business, interests, reputation or prospects of Company or any of its affiliates.

(b) "CHANGE OF CONTROL" For the purposes herein, a "Change of Control" shall be deemed to have occurred on the earliest of the following dates:

- (i) The date any entity or person other than Warren Kanders or his affiliates shall have become the beneficial owner of, or shall have obtained voting control over, fifty percent (50%) or more of the outstanding Common Stock of the Company;
- (ii) The date there shall have been a change in a majority of the Board of Directors of the Company within a 12-month period (not including any period prior to the execution of this Agreement) unless the nomination for election by the Company's stockholders of each new director was approved by the vote of a majority of the directors then still in office who were in office at the beginning of the 12-month period;
- (iii) The date the Company consummates (A) a merger or consolidation of the Company with or into another corporation,

in which the Company is not the continuing or surviving corporation or pursuant to which any shares of Common Stock of the Company would be converted into cash, securities or other property of another corporation, other than (x) a merger or consolidation of the Company in which holders of Common Stock immediately prior to such merger or consolidation have the same proportionate ownership of Common Stock of the surviving corporation immediately after such merger or consolidation as immediately before such merger or consolidation and (Y) a merger or consolidation of the Company in which holders of Common Stock immediately prior to such merger or consolidation continue to own at least a majority of the combined voting securities of the Company (or the surviving entity) outstanding immediately after such merger or consolidation, or (B) the sale or other disposition of all or substantially all of the assets of the Company.

19. OPTION AGREEMENTS. The option agreements described on Schedule A attached hereto, are hereby deemed amended (a) so that all references in each option agreement that relate to employment shall be deemed to refer, instead, to Consultant's consultancy hereunder, it being the intent that the options remain exercisable by Consultant during the term of this Agreement, (to the extent otherwise exercisable) and (b) to provide that each option agreement will remain exercisable (to the extent the term of such options has not otherwise expired by its terms) until December 6, 2005 in the event this Agreement is terminated by the Company without Cause. Otherwise, each option agreement shall continue in full force and effect in accordance with their terms.

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IN WITNESS WHEREOF, the parties hereto have hereunto affixed their hands and seals as of the date first above written.

COMPANY:

Clarus Corporation

By: /s/ Warren B. Kanders

Name: Warren B. Kanders

Title: Executive Chairman

CONSULTANT:

/s/ Stephen P. Jeffery

Stephen P. Jeffery

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SCHEDULE A

<TABLE>
<CAPTION>

PLAN	GRANT NO.	NUMBER OF			NUMBER OF OPTIONS		EXERCISABLE (AS OF 8/31/02)
		DATE OF TYPE	OPTIONS GRANT	OUTSTANDING	EXERCISE PRICE		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
SQL 1992	D0001114	ISO	12/5/96	11,250	\$1.00	11,250	

Stock Plan

SQL 1992 Stock Plan	H0001114	ISO	12/5/96	39,999	\$1.00	39,999
SQL 1992 Stock Stock Plan	I0001115	NQSO	12/5/96	13,752	\$1.00	13,752
SQL 1992 Stock Plan	E0001114	ISO	11/10/97	22,479	\$3.67	22,479
SQL 1992 Stock Plan	E0001114A	NQSO	11/10/97	42	\$3.67	42
SQL 1992 Stock Plan	G0001114	NQSO	2/5/98	107,845	\$4.83	107,845
SQL 1992 Stock Plan	F0001114A	NQSO	2/5/98	22	\$4.83	22
1998 Stock Incentive Plan	J0001114	ISO	5/27/99	32,809	\$5.41	14,325
1998 Stock Incentive Plan	K0001114	NQSO	5/27/99	77,191	\$5.41	62,675
1998 Stock Incentive Plan	497	ISO	7/30/01	15,657	\$7.00	0
1998 Stock Incentive Plan	497A	NQSO	7/30/01	134,343	\$7.00	50,000

</TABLE>

FOR IMMEDIATE RELEASE

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CLARUS ANNOUNCES THE CLOSING OF ELECTRONIC COMMERCE ASSET SALE

STOCKHOLDER ENDORSEMENT OF ASSET REDEPLOYMENT STRATEGY ALLOWS COMPANY TO
CONTINUE PUSH TO ENHANCE STOCKHOLDER VALUE

ATLANTA, GA., DECEMBER 6, 2002 - Clarus Corporation (NASDAQ: CLRS) announced today that it completed the sale of substantially all of its electronic commerce business to Epicor Software Corporation, a provider of integrated enterprise and eBusiness software solutions for midmarket companies, for \$1.0 million in cash. Separately, Clarus continues to make progress toward the sale of the assets related to its Cashbook product to an employee group headquartered in Limerick, Ireland, representing substantially all of the remainder of the Company's electronic commerce operations.

Upon the closing of the Epicor transaction, Warren B. Kanders assumed the position of Executive Chairman of the Board of Directors, Stephen P. Jeffery ceased to serve as Chief Executive Officer and Chairman of the Board, and James J. McDevitt ceased to serve as Chief Financial Officer and Corporate Secretary. Mr. Jeffery has, however, agreed to continue to serve on the Board of Directors and serve the Company in a consulting capacity for a period of three years. Also, Said Mohammadioun resigned his position as a Director of the Company. In addition, the Board of Directors of the Company appointed Nigel P. Ekern as Chief Administrative Officer to oversee the interim operations of Clarus and to assist with the Company's asset redeployment strategy.

Mr. Kanders stated: "The completion of the sale of our electronic commerce business continues our efforts to reposition Clarus' business in order to enhance stockholder value." Mr. Kanders continued: "We are pleased that the Company's stockholders have

again endorsed the Company's strategy of redeploying its assets through an acquisition of, or merger with, an operating business and the use of our substantial cash, other non-operating assets and our publicly-traded stock to seek new opportunities. The disposition of the Company's electronic commerce assets is expected to limit our operating losses and cash expenditure rate and allow the Company to focus on using its assets to increase stockholder value." As previously reported, as of September 30, 2002, the Company's balance of cash and marketable securities was \$102.6 million. As part of the redeployment strategy, the Company is relocating its corporate headquarters to Greenwich, CT.

Mr. Kanders added "We would like to thank the outgoing management team for their efforts in bringing this transaction to a close, transferring the e-commerce and procurement business to Epicor and enabling a smooth transition for both Epicor and Clarus."

Morgan Joseph & Co. Inc., a New York based investment banking firm serving middle market companies, retained by the Company to assist in implementing the asset redeployment strategy, is in the process of identifying suitable merger partners or acquisition candidates.

The closing of the sale to Epicor followed a special meeting of stockholders in which stockholders approved the sale transaction as well as: 1) the reimbursement of expenses incurred by Warren B. Kanders on behalf of himself, Burt Ehrlich, and Nicholas Sokolow in connection with their successful solicitation of proxies; and 2) the elimination of the classification of the Company's Board of Directors.

Clarus, formerly a provider of e-commerce business solutions, is seeking to redeploy its assets and use its substantial cash and cash-equivalent assets to enhance shareholder value.

This release contains certain forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange 1934. Information in this release includes our plans, beliefs, hopes, expectations, intentions and

strategies relating to our future results. Assumptions relating to the forward-looking statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risks, including our planned effort to redeploy our assets to enhance stockholder value following the completion of the transaction with Epicor. All forward-looking statements contained in this release are based on information available as of the date of this release and we assume no obligation to update the forward-looking statements contained herein.