

# **Exhibit B**

CONFIDENTIAL

~~January 20~~February 16, 2016

Axion International Holdings, Inc.  
4005 All American Way  
Zanesville, Ohio 43701  
Attention: Mr. Claude Brown, Jr.  
Chief Executive Officer

Dear Claude:

This letter agreement (this “Agreement”) supersedes our agreement dated January 20, 2016.

Reference is hereby made to the engagement letter agreement, dated April 24, 2015, as amended on May 26, 2015 (the “Engagement Letter”), between Gordian Group, LLC (“Gordian”) and Axion International Holdings, Inc. (“Axion”), a true and correct copy of which is attached hereto as Exhibit A. As you know, by letter dated November 20, 2015 (the “Termination Letter”), Axion terminated the Engagement Letter and Gordian’s continued services thereunder. Subsequently, on December 2, 2015, Axion and its wholly-owned subsidiaries (together with Axion, the “Debtors”) filed bankruptcy petitions under chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the District of Delaware (the “Court”).

Accordingly, this ~~letter agreement (this “Agreement”)~~ sets forth the agreement of Axion, on behalf of all of the Debtors, to re-engage Gordian (the “Re-Engagement”), as of ~~the date hereof~~January 20, 2016 (the “Agreement Date”), ~~(subject to Paragraph 1 below),~~ as its exclusive investment banker to provide financial advisory and investment banking services to the Debtors in connection with ~~exploring a possible sale or series of sales in bankruptcy of all or substantially all of the assets and/or securities of the Debtors and/or one or more of their respective businesses (a “Sale Transaction”)~~a possible Financial Transaction (which shall mean Financial Transaction as defined in the Engagement Letter plus, disjunctively, a plan of reorganization or liquidation for one or more of the Debtors, a liquidation for one or more of the Debtors not contained in a plan of reorganization under title 11 of the United States Code, a structured dismissal, or a resolution of a negotiated settlement among all or a significant number of the major parties in interest in the Debtors’ bankruptcy cases, whether effectuated in a bankruptcy case or outside a bankruptcy case for one or more of the Debtors).

1. In connection with the Re-Engagement, Gordian’s services (the “Services”) may include:

- a) Advising and assisting the Debtors with the general formulation and evaluation of various options for effecting a ~~Sale~~Financial Transaction;

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- b) Advising and assisting the Debtors regarding any potential SaleFinancial Transaction, including identifying and contacting potential parties for any such SaleFinancial Transaction;
- c) Assisting with making presentations to the Debtors' Board of Directors, their secured creditors and/or their unsecured creditors committee (the "Committee") regarding any potential SaleFinancial Transaction, its participating parties and/or other financial issues related thereto;
- d) Lead the preparation and implementation of a wind-down, dissolution and/or plan of liquidation for any of the Debtors, as necessary;
- ~~e)~~ Providing testimony before the Court relating to the Services performed in connection with a SaleFinancial Transaction as to which Court approval may be sought, including, as circumstances warrant, testimony as to valuation, feasibility, liquidation alternatives and other matters relating to the effectuation of a Financial Transaction; and
- ~~e)f)~~ Render such other financial advisory and investment banking services as may be mutually agreed upon by Axion and Gordian.

For the avoidance of doubt, the Services will not include (i) the rendering of any valuation, fairness or solvency opinions; or (ii) any evaluation of the validity, extent or priority of liens on any assets of the Debtors or the viability of any claims or causes of action against third parties; ~~or (iii) the conduct of any liquidation process; any such services shall be addressed in a separate engagement letter as may be agreed to by Axion and Gordian.~~ In addition, Gordian may elect, but shall have no obligation, to begin providing the Services until it receives the Fee (as defined below). Further, upon the completion of a SaleFinancial Transaction, Gordian will have no further obligation to provide Services, unless mutually agreed otherwise.

2. The Debtors agree to provide Gordian with full and appropriate access and their full and reasonable cooperation in connection with Gordian's provision of the Services. The Debtors acknowledge and agree that Gordian shall be free to contact such parties and propose to such parties such sale or break-up structures as it, in its good faith discretion, determines are appropriate for conducting its process and seeking to obtain a SaleFinancial Transaction, including without limitation SaleFinancial Transactions of the Debtors' assets *en masse* or in parcels, subject to the fiduciary obligations under applicable law of the Debtors or any directors or officers of the Debtors (in such person's capacity as a director or officer of the Debtors). In support of the foregoing, if any of the Debtors or their respective managements receive or initiate an inquiry or other contact concerning a possible SaleFinancial Transaction, Axion shall promptly inform Gordian of such inquiry or contact with such prospective interested party, in order that Gordian can, as it determines in its good faith discretion, follow up (including negotiate) with such party. It

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is understood that Gordian does not make any guarantee of results pursuant to the Re-Engagement, including whether any proposals for a ~~Sale~~Financial Transaction will ultimately be obtained or, if obtained, acceptable to the Debtors, approved by the Court and/or consummated.

3. For Gordian's Services in connection with the Re-Engagement, the Debtors, jointly and severally agree to pay or cause to be paid to Gordian a nonrefundable cash fee of Two Hundred Fifty Thousand Dollars (\$250,000) (the "Fee"). The Fee shall be payable in full upon the execution of this Agreement by the parties and its approval by the Court. For the avoidance of doubt, the Fee shall be paid on the day of the issuance of the order of the Court approving the Agreement (or, if such order is issued after the local time by which a wire transfer may be sent by the Debtors, the next business day). The Debtors prior to submission of the request to the Court for approval of this Agreement shall take commercially practicable steps to obtain authorization from the Court to earmark funds (whether from debtor-in-possession lenders or otherwise) in amount sufficient to pay the Fee so that the Fee is timely paid upon Court approval. In addition, the Debtors agree to reimburse Gordian promptly for all of its reasonable out-of-pocket expenses incurred in connection with Gordian's Re-Engagement hereunder. Without prejudice to its indemnification, contribution and reimbursement rights under the incorporated-by-reference Section 12 of the Engagement Letter, no other compensation will be due Gordian in connection with the Re-engagement beyond that set forth in this Section 3.

4. The following Sections of the Engagement Letter shall be deemed incorporated herein and shall apply in full to the Re-Engagement and the Services as if they were separately set forth in full herein: Sections 7 (Scope of Gordian's Investigation), 8 (No Guarantees), 9 (Gordian's Role) (excluding the first sentence of Section 9 re Gordian's role), 10 (Gordian's Advice), 11 (Staffing), 12 (Indemnification) and 15 (Promotion); *provided, however*, that all references in such Sections to (i) "Financial Transaction" shall ~~be replaced by "Sale~~mean "Financial Transaction," as defined in this Agreement; and (ii) "Company" shall be replaced by "Axion" and (iii) the "Companies" shall be replaced by the "Debtors."

5. Effective upon execution of this Agreement by the parties, its approval by the Court, and Gordian's receipt of the Fee, Gordian, on behalf of itself, its subsidiaries, their respective boards of directors and managements, and anyone claiming by, through or on behalf of Gordian or such persons (collectively, the "Gordian Releasers"), hereby releases, acquits, and forever discharges the Debtors and each of their respective shareholders, directors, members, employees, professionals, representatives and agents (collectively, the "Debtor Releasees"), from any and all claims, demands, causes of action or counterclaims of any kind whatsoever, whether arising at common law, under applicable statute, or otherwise, and whether now known or unknown (collectively, "Claims"), (i) based on any facts or circumstances existing as of, or that existed at any time on or before, the Agreement Date, which any of the Gordian Releasers has or may have or assert, or might assert in the absence of this release, against any of the Debtor Releasees, and/or (ii) for Fees (as defined therein) under the Engagement Letter, whenever arising; *provided*,

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*however*, that the foregoing release shall not release any of Gordian's rights to enforce or to seek relief for breach of any of the terms of this Agreement.

6. Effective upon execution of this Agreement by the parties and its approval by the Court, Axion, on behalf of itself, the other Debtors, their respective boards of directors and management, and anyone claiming by, through or on behalf of Axion or such persons (collectively, the "Debtor Releasers"), hereby releases, acquits, and forever discharges Gordian and its affiliates and each of their respective shareholders, directors, members, employees, professionals, representatives and agents (collectively, the "Gordian Releasees"), from any and all Claims, based on any facts or circumstances existing as of, or that existed at any time on or before, the Agreement Date, which any of the Debtor Releasers has or may have or assert, or might assert in the absence of this release, against any of the Gordian Releasees, including, but not limited to, any Claims related to the handling, treatment or disclosure by any Gordian Releasees of confidential or proprietary information of or belonging to any of the Debtor Releasers; *provided, however*, that the foregoing release shall not release any of Axion's rights to enforce or to seek relief for breach of any of the terms of this Agreement.

7. Confidentiality. Gordian agrees that, during the period in which it is providing Services hereunder and for a period of two (2) years from the date of this Agreement, it shall treat confidentially all information provided to it by or on behalf of Axion regarding the Debtors or a Sale/Financial Transaction, and, except as may be required in carrying out the Services, shall not disclose any such information to any person other than members, employees, advisors and agents of Gordian, and the Committee (it being understood that such disclosures to the Committee shall be on the condition that each member of the Committee shall hold in confidence all information provided by Gordian other than in connection with discussions with (a) the Debtors, (b) members of the Committee and the Committee's professionals and (c) such third parties as to whom the Debtors shall consent in writing for disclosure) without the prior consent of Axion or except as required by law or applicable regulation, legal requirement or administrative or court order. The obligations regarding confidential information received hereunder shall not apply to any such information which: (i) is or becomes publicly available other than as a result of a violation of this Agreement by Gordian and its members, employees, advisors and agents; (ii) is lawfully acquired by Gordian from a source which is not known to Gordian to be prohibited from disclosing such information pursuant to a legal, contractual or fiduciary obligation to the Debtors; or (iii) Gordian can demonstrate was legally in Gordian's possession prior to disclosure by Gordian.

8. Termination. Subject to the prior order of the Court, which Gordian may seek upon the occurrence of any of the following, the obligations of Gordian hereunder shall terminate upon the earliest of the following to occur: (a) any default, violation, or breach of any of the terms of this Agreement by the Debtors; (b) conversion of any of the Debtors' Cases to a case under chapter 7 of the Bankruptcy Code or the dismissal of any of the Debtors' bankruptcy cases; (other than a dismissal that is a Financial Transaction with respect to which Gordian provides Services); (c) the appointment of a trustee, a responsible

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person, or an examiner with expanded powers relating to the operation of the business of any Debtors in its bankruptcy case; (d) the entry of an Order granting relief from the automatic stay to the holder or holders of any other security interest or lien in any Collateral to permit the pursuit of any judicial or non-judicial transfer or other remedy against any of the Collateral; or (e) the Debtors shall fail to obtain, on or before April 30, 2016, entry of an order by the Court approving a SaleFinancial Transaction proposed in accordance with this Agreement.

9. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REFERENCE TO ITS PRINCIPLES OF CONFLICT OF LAW). The Court shall have and retain continuing exclusive jurisdiction to address and resolve any and all claims, controversies or other disputes arising under this Agreement or in connection with the Re-Engagement.

10. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between Gordian and any of the Debtors with respect thereto. This Agreement shall be binding upon and inure to the benefit of any successors, permitted assigns, heirs and personal representatives of the parties. This Agreement may not be amended or modified (or a provision hereof waived), except in a writing expressly referencing this Agreement, executed by the parties hereto (or, in the case of a waiver, by the party charged with the waiver). No party hereto may assign this Agreement. This Agreement may be executed in two or more counterparts (including by facsimile or emailed files), all of which, taken together, shall constitute one and the same instrument.

\* \* \*

Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the duplicate of this Agreement attached hereto, which, subject to Court approval, shall thereupon constitute a binding agreement.

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Sincerely yours,

GORDIAN GROUP, LLC

By: \_\_\_\_\_  
Peter S. Kaufman  
President

AGREED TO AND ACCEPTED:

AXION INTERNATIONAL HOLDINGS, INC.  
For itself and on behalf of all of the Debtors

By: \_\_\_\_\_  
Claude Brown, Jr.  
Chief Executive Officer

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**EXHIBIT A**

**Engagement Letter**

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