

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-8
Registration Statement
Under the Securities Act of 1933

Acme United Corporation
(Exact name of Registrant as specified in its charter)

Connecticut
(State or other jurisdiction of
incorporation or organization)

06-0236700
(I.R.S. Employer
Identification Number)

1 Waterview Drive
Shelton, Connecticut 06484
(Address of principal executive offices, including zip code)

Acme United Corporation 2022 Employee Stock Option Plan
(Full Title of the Plan)

Paul Driscoll
Vice President, Chief Financial Officer,
Secretary and Treasurer
1 Waterview Drive
Shelton, Connecticut 06484
(Name and address of agent for service)
(203) 254-6060

(Telephone number, including area code, of agent for service)

copy to:
Merritt A. Cole, Esq.
Earp Cohn P.C.
123 South Broad Street, Suite 1030
Philadelphia, Pennsylvania 19109-1022
Phone (215) 963-9520
Fax (215) 963-9620

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act

Explanatory Note

The Company is filing this Registration Statement on Form S-8 for the purpose of registering a total of 300,000 shares of Common Stock, par value \$2.50 per share, of the Company (the "Common Stock"), which may be issued pursuant to the Acme United Corporation 2022 Employee Stock Option Plan (the "Employee Plan").

Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), this Registration Statement also covers an indeterminate amount of additional shares of Common Stock, which may become issuable pursuant to the anti-dilution or other adjustment provisions of the Employee Plan.

In accordance with Instruction E of the General Instructions to Form S-8, the contents of the Registration Statement on Form S-8 (Reg. No. 333-248739) filed on September 11, 2020 by the Company with the U.S. Securities and Exchange Commission (the "Commission") relating to the Employee Plan is incorporated by reference herein to the extent not otherwise modified or superseded by this Registration Statement.

Part I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of Form S-8 will be sent or given to participants as specified by Rule 428(b)(1) promulgated under the Securities Act. Such documents need not be filed with the Commission either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424. These documents and the documents incorporated herein by reference pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act (the "Prospectus").

Part II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents previously filed with the Commission are incorporated by reference and made a part of this prospectus:

- (a) our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed on [March 30, 2022](#) (Annual Report);
 - (b) (i) our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2022 and June 30, 2022, filed on [May 9, 2022](#), and [August 8, 2022](#), respectively.
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(ii) our Current Reports on Form 8-K filed on [March 1](#), [April 22](#), [April 27](#), [June 1](#), and [July 22, 2022](#) (other than the portions of those documents not deemed to be filed); and

(c) the description of our Common Stock contained in Exhibit 4(vi) to the Annual Report, including any amendment to that Report that we may file in the future, for the purpose of updating the description of our Common Stock.

All documents that we file pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") subsequent to the effective date of this Registration Statement, prior to the filing of a post-effective amendment which indicates that all securities offered by this Prospectus have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Prospectus and to be a part of this Prospectus from the date of filing of such documents. Any statement contained herein or in any document incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Registration Statement, except as so modified or superseded.

Item 4. Description of Securities.

Not applicable, because the Common Stock is registered under Section 12 of the Exchange Act.

Item 5. Interest of Named Experts and Counsel.

None.

Item 6. Indemnification of Directors and Officers.

Connecticut General Statutes ("CGS") Sections 33-770 through 33-779 provide for mandatory, permissive and court-ordered indemnification of directors who are parties to a proceeding. For purposes of these indemnification statutes a "proceeding" is defined as any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative and whether formal or informal.

The Company's Restated Certificate of Incorporation provides that the Company shall indemnify an individual who is a party to a proceeding because he is a director or officer of the corporation against liability in the proceeding if:

(1)(A) he conducted himself in good faith; (B) he reasonably believed (i) in the case of conduct in his official capacity, that his conduct was in the best interests of the corporation; and (ii) in all other cases, that his conduct was at least not opposed to the best interests of the corporation; and (C) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful; or

(2) such liability arises from any action taken, or any failure to take any action, as a director or officer, except liability that (A) involved a knowing and culpable violation of law by the director or officer; (B) enabled the director, officer or an associate (as defined in the CGS) to receive an improper personal gain; (C) showed a lack of good faith and a conscious disregard for the duty of the director or officer to the corporation under circumstances in which the director or officer was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation; (D) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the director's or officer's duty to the corporation; or (E) created liability under CGS Section 33-757 for the illegal payment of dividends.

The Registrant has obtained directors' and officers' reimbursement and liability insurance against certain liabilities.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

The following exhibits are filed as part of this Registration Statement:

<u>Exhibit No.</u>	<u>Identification of Exhibit</u>
5.1	Opinion of Brody Wilkinson PC
10.12	2022 Employee Stock Option Plan
10.13	Form of Non-Qualified Stock Option Agreement for 2022 Employee Stock Option Plan
23.1	Consent of Marcum LLP, independent registered public accounting firm
23.3	Consent of Brody Wilkinson PC (included in Exhibit 5.1)
24.1	Power of attorney (included on signature page of this Registration Statement)
107	Calculation of Filing Fee Table

Item 9. Undertakings

The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (a) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (b) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (c) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that paragraphs (1)(a) and (1)(b) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.
 - (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
 - (4) That, for the purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
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(5) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Shelton, State of Connecticut, on the 7th day of October 7, 2022.

ACME UNITED CORPORATION

By: /s/ Walter C. Johnsen
Walter C. Johnsen, Chairman of the Board and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Walter C. Johnsen and Paul Driscoll, or either of them, as true and lawful attorneys-in-fact and agents with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities to sign the Registration Statement filed herewith and any or all amendments to said Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agents the full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the foregoing, as to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated below on the 7th day of October, 2022:

Signature	Title
<u>/s/ Walter C. Johnsen</u> Walter C. Johnsen	Chairman of the Board, Chief Executive Officer and Director
<u>/s/ Brian S. Olschan</u> Brian S. Olschan	President, Chief Operating Officer and Director
<u>/s/ Paul Driscoll</u> Paul Driscoll	Vice President, Chief Financial Officer, Secretary and Treasurer
<u>/s/ Brian K. Barker</u> Brian K. Barker	Director
<u>/s/ Rex L. Davidson</u> Rex L. Davidson	Director
<u>/s/ Richmond Y. Holden, Jr.</u> Richmond Y. Holden, Jr.	Director
<u>/s/ Susan H. Murphy</u> Susan H. Murphy	Director
<u>/s/ Stevenson E. Ward III</u> Stevenson E. Ward III	Director

October 7, 2022

Acme United Corporation
1 Waterview Drive
Shelton, CT 06484

Dear Ladies and Gentlemen:

We have acted as counsel for Acme United Corporation, a Connecticut corporation (the "Company"), and are delivering this opinion in connection with the filing with the Securities and Exchange Commission (the "Commission") on or about the date hereof of a Form S-8 Registration Statement (the "Registration Statement") relating to the registration of a total of 300,000 shares (the "Shares") of common stock of the Company, par value \$2.50 per share, issuable upon the exercise of certain options granted, or which may be granted pursuant to the Acme United Corporation 2022 Employee Stock Option Plan (the "Plan").

In rendering the opinion expressed herein, we have examined and relied upon the following: (i) the Registration Statement in the form to be filed with the Commission on the date hereof, (ii) a copy of the Plan, (iii) the Restated Certificate of Incorporation and the Bylaws of the Company in effect as of the date hereof, (iv) the respective approvals of the Board of Directors and of the shareholders of the Company approving the Plan, (v) a form of option agreement under the Plan and (vi) such other documents as we have deemed necessary or appropriate as a basis for the opinion expressed herein.

In rendering the opinion expressed herein, we have, without any independent inquiry or investigation, assumed that (i) any and all original documents submitted to us for our review are authentic and complete in all respects, (ii) all documents submitted to us as copies conform to authentic, complete originals, (iii) all signatures on all documents are the true and genuine signatures of the person on whose behalf they are purportedly made, (iv) all natural persons who executed documents had the legal capacity so to do, (v) all statements in certificates of public officials and officers of the Company that we reviewed were and are accurate and (vi) all representations made by the Company as to matters of fact in the documents that we reviewed were and are accurate.

Based upon the foregoing, we are of the opinion that the Shares issuable pursuant to the Plan have been duly authorized and, when and to the extent issued and delivered pursuant to the Plan and the relevant option agreements, including receipt by the Company of the consideration to be paid therefor, will be validly issued, fully paid and non-assessable.

This opinion letter is provided to you for your benefit solely with regard to the Registration Statement, may be relied upon by you only in connection with the Registration Statement, and may not be relied upon by any other person or for any other purpose without our prior written consent.

In connection herewith, we express no opinion on the laws of any jurisdiction other than the Connecticut Business Corporation Act and the laws of the State of Connecticut. This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. We assume no obligation to revise or supplement this opinion after the date hereof should the Connecticut Business Corporation Act be changed by legislative action, judicial decision or otherwise.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name in connection with the Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of the 1933 or the rules and regulations of the Commission thereunder.

Very truly yours,
/s/ Brody Wilkinson PC

ACME UNITED CORPORATION
2022 EMPLOYEE STOCK OPTION PLAN

1. PURPOSE

The purpose of this plan (the "Plan") is to promote the interests of Acme United Corporation (the "Corporation") by enabling its key employees to acquire an increased proprietary interest in the Corporation and thus to share in the future success of the Corporation's business. Accordingly, the Plan is intended as a means not only of attracting and retaining outstanding management personnel but also of promoting a closer identity of interests between employees and stockholders. Since the employees eligible to receive Options under the Plan will be those who are in a position to make important and direct contributions to the success of the Corporation, the Directors believe that the grant of the Options under the Plan will be in the best interests of the Corporation.

2. DEFINITIONS

Unless the context clearly indicates otherwise, the following terms when used in the Plan, shall have the meanings set forth in this Section 2.

- (a) "Beneficiary" means the person or persons who shall acquire the right to exercise an Option by bequest or inheritance.
 - (b) "Board of Directors" or "Board" means the Board of the Directors of the Corporation.
 - (c) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and related Treasury regulations.
 - (d) "Committee" means the Compensation Committee of the Board which consists of two or more members of the Board in accordance with Section 4(b), below.
 - (e) "Common Stock" shall mean common stock, par value \$2.50 per share, of the Corporation.
 - (f) "Disability" means a "disability" as defined in the Corporation's Long-Term Disability Plan, as amended from time to time. "Disabled" means being subject to a Disability.
 - (g) "Exercise Price" means the price at which a Share may be purchased upon exercise of an Option.
 - (h) "Fair Market Value" shall mean the closing price for a share of the Common Stock on the date on which the option is granted, determined as follows: if the Common Stock is listed on any established stock exchange or a national market system, including, without limitation, the New York Stock Exchange, the NYSE American or the NASDAQ Stock Market, the Fair Market Value shall be the closing price of a share of Common Stock (or if no sales were reported on that date, the closing price on the date immediately preceding such date) as quoted on such exchange or system on the date of determination. In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Board, acting on the recommendation of the Committee, and such determination shall be conclusive and binding on all persons.
 - (i) "Incentive Stock Option" shall mean a stock option granted pursuant to the Plan and intended to satisfy the requirements of Section 422 of the Code.
 - (j) "Option" shall mean a stock option granted pursuant to the Plan.
 - (k) "Optionee" shall mean a person to whom an Option has been granted under the Plan.
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- (l) "Option Agreement" shall mean the written agreement to be entered into by the Corporation and the Optionee, as provided in Section 6 hereof.
- (m) Reserved
- (n) "Share" shall mean a share of the Common Stock of the Corporation, as adjusted in accordance with Section 16 of the Plan.
- (o) "Subsidiary" shall mean any subsidiary corporation of the Corporation within the meaning of Section 424(f) of the Code (or a successor provision of similar import).
- (p) "Closing Price" means for purposes of an exercise notice delivered during or after trading hours on a particular trading day, the closing price of the Common Stock published by NYSE American for that day (or if no sales were reported on that day, the closing price on the day immediately preceding such day), and with respect to delivery of an exercise notice before the opening of trading on a particular day or on a non-trading day, the closing price of the Common Stock published by NYSE American for the immediately preceding trading day.

Where used herein, unless the context indicates otherwise, words in the masculine form shall be deemed to refer to females as well as to males.

3. SHARES SUBJECT TO THE PLAN

- (a) The stock to be covered by the Options is the Common Stock of the Corporation. The aggregate number of shares of Common Stock which may be delivered on exercise of the Options is 300,000 (Three Hundred Thousand) shares, subject to adjustment pursuant to Section 16.
- (b) As determined by the Board from time to time, such shares may be previously issued shares reacquired by the Corporation or authorized but unissued shares. If any Option expires or terminates for any reason without having been exercised in full, the Shares covered by the unexercised portion of such Option shall again be available for future grants of Options, within the limits specified above. However, shares delivered or withheld by the Company to satisfy any tax withholding obligation shall not become available again for future Option grants. If either (i) the Exercise Price of an Option is paid by Net Share Exercise pursuant to Section 11(b)(ii) of the Plan, or if (ii) the exercise of an Option is settled by payment of cash to the Optionee pursuant to Section 11(b)(iii) of the Plan, the Shares otherwise deliverable to the Optionee shall again be available for issuance under the Plan.

4. ADMINISTRATION OF THE PLAN

- (a) The Plan shall be administered by the Board of Directors of the Corporation, which shall accept, amend, or reject recommendations made by the Committee. In addition to its duties with respect to the Plan stated elsewhere in the Plan, Board shall have full authority, consistent with the Plan, to interpret the Plan, to promulgate such rules and regulations with respect to the Plan as it deems desirable and to make all other determinations necessary or desirable for the administration of the Plan. All decisions, determinations, and interpretations of the Board shall be binding upon all persons. All expenses incurred in connection with the administration of the Plan shall be paid by the Corporation.
 - (b) The Committee shall consist of members of the Board who (i) are "outside directors," as defined under Section 162(m) of the Code; (ii) "non-employee directors," as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
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- (iii) "independent," as defined in Section 803 of rules of the NYSE American, as said sections and rule may be amended or superseded from time to time.
- (c) The Board may, with the consent of the Optionee, substitute Options which are not intended to be Incentive Stock Options for outstanding Incentive Stock Options. Any such substitution shall not constitute the grant of a new Option for the purposes of this Plan, and shall not require a revaluation of the Option exercised prior to the substituted Option. Any such substitution shall be implemented by an amendment to the applicable Option Agreement or in such other manner as the Board in its discretion shall determine.
- (d) The Committee, subject to the approval of the Board, shall make such provision as it deems necessary or appropriate for the withholding of any federal, state, local or other tax required to be withheld with regard to the exercise of an Option under the Plan.
- (e) In addition to such other rights of indemnification as they may have as Directors or members of the Board, and to the extent allowed by applicable law, the Board and each of its members shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Board or any of its members may be party by reason of any action taken or failure to act under or in connection with the Plan or any Option granted under the Plan, and against all amounts paid by the Board or any of its members in settlement thereof (*provided, however*, that the settlement has been approved by the Corporation, which approval shall not be unreasonably withheld) or paid by the Board or any of its members in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it or any of them shall be adjudged in such action, suit or proceeding that such party did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Corporation, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided, however*, that within 60 days after the institution of any such action, suit or proceeding, such Board or member(s) of the Board, as appropriate, shall, in writing, offer the Corporation the opportunity at its own expense to handle and defend such action, suit or proceeding.

5. EMPLOYEES ELIGIBLE TO RECEIVE OPTIONS

- (a) The Board, upon the recommendation of the Committee, shall from time to time in its discretion select the employees to whom the options shall be granted from among the key employees of the Corporation and any Subsidiary.
- (b) Members of the Board of Directors who are not regular salaried employees of the Corporation or a Subsidiary shall not be eligible to receive Options under this Plan.
- (c) An individual employee may receive more than one Option.

6. OPTION AGREEMENT

- (a) Each Option shall be evidenced by an Option Agreement, in such form as the Board shall from time to time approve, which shall state the terms and conditions of the Option in accordance with the Plan, including (i) whether the Option is an Incentive Stock Option or a Non-qualified Stock Option; (ii) the number of Shares which may be purchased under the Option; (iii) the Exercise Price and medium of payment of the Exercise Price; (iv) the term of the Option; (v) vesting provisions; and (vi) such additional provisions as
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may be necessary or appropriate under applicable laws, regulations, and rules.

- (b) No grant of an Option shall be effective unless the Optionee shall have executed and delivered an Option Agreement to the Corporation.
- (c) Appropriate officers of the Corporation are hereby authorized to execute and deliver Option Agreements in the name of the Corporation as directed from time to time by the Board.
- (d) In the event of a conflict between the terms of the Plan and the terms of an Option Agreement, the terms of the Plan shall govern.

7. GRANTS OF OPTIONS

- (a) The Board, acting upon the recommendation of the Committee, shall in its discretion determine the time or times when Options shall be granted and the number of shares of Common Stock to be subject to each Option.
- (b) The aggregate Fair Market Value (determined as of the date the Option is granted) of the stock with respect to which Incentive Stock Options are exercisable for the first time by an individual during any calendar year (under all stock option plans of the Corporation and its Subsidiaries) shall not exceed \$100,000.00.
- (c) No Incentive Stock Option shall be granted to an employee who, at the time the Option is granted, owns (within the meaning of Section 422(b)(6) of the code) stock possessing more than ten percent of the total combined voting power of all classes of stock of the Corporation unless the following requirements are satisfied: (i) notwithstanding the provisions of Section 8, the purchase price for each share of common stock subject to an Option shall be at least 110 percent of the Fair Market Value of the Common Stock subject to the Option; and (ii) the Option is not exercisable after the expiration of five (5) years from the date such Option is granted.
- (d) The Board may in its discretion grant Options that are intended to constitute Incentive Stock Options or options that are intended to be non-qualified options

8. OPTION PRICE

Subject to Section 7(c), the Exercise Price shall be one hundred percent (100%) of the Fair Market Value of the Common Stock on the date the Option is granted, provided, however, that the Exercise Price shall not be less than the par value of the Common Stock which is the subject of the Option.

9. OPTION TERM; EXERCISE RIGHTS

- a) Each Option shall be for such term as the Board shall determine, but not more than ten years from the date it is granted, and shall be subject to earlier termination as provided in Section 10.
 - b) Subject to (i) the continued employment of Optionee and (ii) Sections 10 and 17, below, Options shall vest and therefore become exercisable in four equal installments on the first day after each of the first, second, third and fourth anniversaries of the Option grant.
 - c) Upon the purchase of shares of Common Stock under an Option, the Stock certificate or certificates may, at the request of the purchaser, be issued in his name and the name of another person as joint tenants with the right of survivorship.
 - d) The exercise of each Option granted under the Plan shall be subject to the condition that if at any time the Corporation shall determine in its discretion that the listing, registration, or qualification of any shares of Common Stock otherwise deliverable upon such
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exercise upon any securities exchange or under any State or Federal law, or the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares thereunder, then in any such event such exercise shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Corporation. Any such postponement shall not extend the time within which the Option may be exercised; and neither the Corporation nor its directors or officers shall have any obligation or liability to the Optionee or to a Beneficiary with respect to any shares of Common Stock as to which the Option shall lapse because of such postponement.

e) No fractional shares of Common Stock shall be issuable or issued upon exercise of any Option. In lieu of a fractional share, the Company shall pay to the Optionee cash in an amount equal to the Fair Market Value of the fractional share which the Optionee would otherwise have been entitled to receive, with such amount to be determined on the date of exercise of the relevant Option.

10. RIGHTS UPON TERMINATION OF EMPLOYMENT

a) Termination after Age 60

If an Optionee terminates his or her employment with the Corporation or a Subsidiary on or after age 60, the Optionee's Option shall terminate one year after the date of such termination but in no event later than the date on which it would have expired if the Optionee had not terminated his or her employment. Notwithstanding the provisions of Section 9(b), if an Optionee terminates his or her employment with the Corporation or a Subsidiary on or after age 60 and has been employed full time by the Corporation or a Subsidiary for at least a total of 15 years (excluding leaves of absence), the unvested portion of each Option held by an Optionee shall continue to vest in accordance with the terms of such Option and such Option may be exercised, in whole or in part, at any time up to and including the date that the Option would have expired if the Optionee had not terminated his or her employment. Notwithstanding the foregoing, if the Option is exercised later than three months from the date of such termination such Option shall not constitute an Incentive Stock Option.

b) Disability

If an Optionee becomes Disabled, the Optionee may exercise the Option (i) within one year after the date of Disability, but in no event later than the date on which it would have expired if the Optionee had not become Disabled, or (ii) within such other period, not exceeding three years after the date of Disability, as shall be prescribed in the Option Agreement. Notwithstanding the provisions of Section 9(b), if an Optionee becomes Disabled and has been employed full time by the Corporation or a Subsidiary for at least a total of 15 years (excluding leaves of absence), the unvested portion of each Option held by an Optionee shall immediately vest and become exercisable in full upon the date of Disability and such Option may be exercised, in whole or in part, at any time up to and including the date on which the Option would have expired if the Optionee had not become Disabled. Notwithstanding the foregoing, if the Option is exercised later than one year after the date of Disability, it shall not constitute an Incentive Stock Option.

c) Death

If an Optionee dies during a period in which he or she is entitled to exercise an Option (including the period referred to in paragraphs (a), (b), and (d) of this Section 10), the Option may be exercised, in whole or in

part, at any time within one year from the date of the Optionee's death, but in no event later than the date on which it would have expired if the Optionee had lived, by the Optionee's Beneficiary. Notwithstanding the provisions of Section 9(b), if an Optionee dies during a period in which he or she is entitled to exercise an Option (including the period referred to in paragraphs (a), (b) and (d) of this Section 10) and has been employed full time by the Corporation or a Subsidiary for at least a total of 15 years (excluding leaves of absence), the unvested portion of each Option held by an Optionee shall immediately vest and become exercisable in full on the date of death and such Option may be exercised, in whole or in part, at any time up to and including the date on which the Option would have expired if the Optionee had lived, by the Optionee's Beneficiary.

d) Termination of Employment for Any Other Reason

Except as otherwise provided: (i) in paragraph (e) of this section, (ii) in an Option Agreement for an Optionee, or (iii) in an employment agreement the terms of which have been approved by the Committee, if an Optionee ceases to be employed by the Corporation or a Subsidiary for any reason other than termination after age 60, disability, or death, the Optionee's Option shall terminate on the earlier of (X) the first anniversary after the date of such cessation of employment and (Y) the date on which the term of the Option would have expired if such cessation of employment had not occurred. During such period the option may be exercised only to the extent that the Optionee was entitled to do so under Section 9(b) at the date of cessation of employment unless the Committee, in its sole and nonreviewable discretion, permits exercise of the Option to a greater extent. Except to the extent required by law, the employment of an Optionee shall not be deemed to have ceased upon his or her absence from the Corporation or a Subsidiary on a leave of absence granted in accordance with the usual procedure of the Corporation or Subsidiary.

e) Notwithstanding any language of the Plan to the contrary, if an Optionee ceases to be employed by the Corporation or a Subsidiary and becomes, or continues to be, a member of the Board of Directors prior to the time the Optionee's Option(s) would have otherwise expired pursuant to this Section 10, the Optionee's Option(s) shall continue to vest in accordance with Section 9(b) hereof and shall continue to be exercisable for the remainder of the term of the Option(s); provided, that, if an Optionee described in this Section 10(e) ceases to be a member of the Board of Directors for any reason, the Optionee's Option(s) shall terminate in accordance with the provisions of the 2017 Non-Salaried Director Stock Option Plan. Any Option which is not exercised by the Optionee within the three-month period immediately following the Optionee's termination of employment, or, in the case of termination of employment on account of Disability, within one year after the date of Disability, shall cease to be an Incentive Stock Option.

11. METHOD OF EXERCISE

- (a) When exercisable pursuant to the terms of the Plan and the governing Option Agreement, an Option shall be exercised by the Optionee as to all or part of the Shares subject to the Option by delivering written notice of exercise to the Corporation at its principal business office or such other office as the Corporation may from time to time direct, (i) specifying the number of Shares subject to the Option (or portion thereof) being exercised; (ii) specifying the method of payment of the total Exercise Price of the Option (or portion thereof), and (iii) containing such further provisions consistent with the provisions of the Plan as the Corporation may from time to time prescribe. The written notice of exercise shall be in the form and delivered in the
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manner prescribed by the Corporation from time to time. No Option may be exercised after the expiration of the term specified in Section 9 hereof.

(b) Payment of the Exercise Price of the Option shall be paid in full at the time the Option (or portion thereof) is exercised. Such payment shall be made

(i) in cash in United States currency;

(ii) subject to the consent of the Company at the time of exercise and if permitted by the Option Agreement granting such Option, the Optionee may elect in the notice of exercise given pursuant to Section 11(a) to make such payment by reduction in the number of shares of Common Stock otherwise deliverable upon exercise of such Option by the number of shares having an aggregate value based on the Closing Price equal to the total Exercise Price of the Option (or portion thereof) ("Net Share Exercise"); or

(iii) subject to the consent of the Company at the time of exercise and if permitted by the Option Agreement granting such Option, the Optionee may elect in the notice of exercise given pursuant to Section 11(a) to receive from the Company cash in an amount equal to the number of shares of Common Stock subject to the Option (or portion thereof) that is being exercised multiplied by the excess of (A) the Closing Price of the Common Stock, over (B) the Exercise Price of the Option.

12. NONTRANSFERABILITY OF OPTIONS

Each Option shall be nonassignable and nontransferable by the Optionee other than by will or by the laws of descent and distribution. Each Option shall be exercisable during the Optionee's lifetime only by the Optionee.

13. SHAREHOLDER RIGHTS

No person shall have any rights of a shareholder by virtue of an Option except with respect to shares actually issued to him and registered on the transfer books of the Corporation, and the issuance of shares shall confer no retroactive right to dividends.

14. USE OF PROCEEDS

Proceeds received by the Corporation from the sale of shares of Common Stock upon the exercise of Options shall constitute general funds of the Corporation.

15. GENERAL PROVISIONS

The grant of an Option in any year shall not give the Optionee any right to similar grants in future years or any right to be retained in the employ of the Corporation or any Subsidiary.

16. ADJUSTMENT UPON CHANGES IN CAPITALIZATION

If there is a change in the number or kind of outstanding shares of Common Stock by reason of a stock dividend, stock split, recapitalization, merger, consolidation, combination, or other similar event, appropriate adjustments shall be made by the Board to the number and kind of shares subject to the Plan, the number and kind of Shares under Options then outstanding, the maximum number of shares available for Options or the Exercise Price and other relevant provisions.

17. EFFECT OF MERGER OR OTHER REORGANIZATION

If the Corporation shall be the surviving corporation in a merger or other reorganization, an Option shall extend to stock and securities of the Corporation to the same extent that a holder of that number of Shares immediately before the merger or consolidation corresponding to the number

of Shares covered by the Option would be entitled to have or obtain stock and securities of the Corporation under the terms of the merger or consolidation. If the Corporation dissolves, sells substantially all of its assets, is acquired in a stock for stock or securities exchange, or is a party to a merger or other reorganization in which it is not the surviving corporation (each of the foregoing being referred to as a "Transaction"), then each Option shall fully vest and become fully exercisable commencing upon the date the action of the shareholders (or the Board if shareholders' action is not required) is taken to approve the Transaction and thereafter may be exercised for a period of sixty (60) days, and, upon the expiration of that period, all Options and all rights thereto shall automatically terminate; provided, however, that each Option to purchase shares authorized for issuance under the Plan by shareholder action taken on or after April 25, 2011, shall, instead, fully vest and become fully exercisable upon the occurrence of a Transaction and thereafter may be exercised for a period of sixty (60) days, and, upon the expiration of that period, each such Option and all rights thereto shall automatically terminate.

18. TERMINATION; AMMENDMENTS

- (a) The Board may at any time suspend or terminate the Plan. Unless the Plan shall previously have been terminated by the Board, it shall terminate on February 22, 2032. No Option may be granted pursuant to the Plan after such date, but the term of each Option granted prior to that date and which remains unexercised on such date shall continue after such date for the balance of the term set forth in the relevant Option Agreement.
- (b) The Board may at any time or times amend the Plan or amend any outstanding Option for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which at the time may be permitted by law.
- (c) Except as provided in Section 16, no such amendment shall, without the approval of the shareholders of the Corporation: (i) increase the maximum number of shares of Common Stock for which the Options may be granted under the Plan; (ii) reduce the Exercise Price of outstanding Options; (iii) extend the period during, which Options may be granted; (iv) materially increase in any other way the benefits accruing to Optionees; or (v) change the class of persons eligible to be Optionees.
- (d) No termination or amendment of the Plan shall without the consent of an Optionee or Beneficiary, adversely affect the Optionee's or Beneficiary's right under any Option previously granted, but it shall be conclusively presumed that any adjustment for changes in capitalization in accordance with Section 16 hereof does not adversely affect any such right.

19. SEVERABILITY

If any of the provisions of the Plan or any Award Agreement is held to be invalid, illegal or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

20. EFFECTIVE DATE

The effective date of the Plan is February 22, 2022.

21. GOVERNING LAW

The Plan shall be construed and its provisions enforced and administered in accordance with and under the laws of Connecticut except to the extent that such laws may be superseded by any Federal law.

Non-Qualified Stock Option Agreement

This Stock Option Agreement (this “**Agreement**”) is made and entered into as of _____, 20__ by and between Acme United Corporation, a Connecticut corporation, (the “**Corporation**”) and _____ (the “**Optionee**”).

Grant Date: _____

Exercise Price per Share: _____

Number of Option Shares: _____

Expiration Date: _____

1. Grant of Option.

1.1 Grant; Type of Option. The Corporation hereby grants to the Optionee an option (the “**Option**”) to purchase the total number of shares of Common Stock of the Corporation equal to the number of Option Shares set forth above, at the Exercise Price set forth above. The Option is being granted pursuant to the terms of the Corporation’s 2022 Employee Stock Option Plan (the “**Plan**”). The Option is a “non-qualified stock option.”

1.2 Consideration; Subject to Plan. The grant of the Option is made in consideration of the services to be rendered by the Optionee to the Corporation and is subject to the terms and conditions of the Plan. Capitalized terms used but not defined herein will have the meaning ascribed to them in the Plan.

2. Vesting; Expiration.

2.1 Vesting Schedule. Subject to (a) the continued employment of the Optionee and (b) Sections 10 and 17 of the Plan, the Option will become vested and exercisable in four (4) equal installments on the first day after the first, second, third and fourth anniversaries of the grant until the Option is 100% vested. Subject to Section 3 below, the vesting of the Option will cease upon termination of the Optionee’s employment.

2.2 Expiration. The Option will expire on the Expiration Date set forth above, or earlier as provided in this Agreement or the Plan.

3. Termination of Employment.

3.1 Termination for Reasons Other Than Termination After Age 60, Disability, or Death. If the Optionee’s employment is terminated for any reason other than termination after age 60, Disability, or death, the Optionee may exercise the vested portion of the Option, in whole or in part, until the earlier of (a) the first anniversary after the date of such termination of the Optionee’s employment or (b) the Expiration Date.

3.2 Termination After Age 60. If the Optionee terminates his or her employment with the Corporation or of a Subsidiary on or after age 60, Optionee may exercise the vested

portion of the Option, in whole or in part, until the earlier of (a) the first anniversary of Optionee's termination of Employment or (b) the Expiration Date. If the Optionee terminates his or her employment with the Corporation or a Subsidiary on or after age 60 and has been employed full time by the Corporation or a Subsidiary for at least a total of 15 years (excluding leaves of absence), the unvested portion of the Option shall immediately vest and become exercisable in full and the Optionee may exercise the Option, in whole or in part, up to and including the Expiration Date.

3.3 Termination due to Disability. If the Optionee's Employment terminates as a result of the Optionee's Disability, the Optionee may exercise the vested portion of the Option, in whole or in part, until the earlier of (a) the first anniversary of Optionee's termination of Employment or (b) the Expiration Date. If the Optionee becomes disabled and has been employed full time by the Corporation or a Subsidiary for at least a total of 15 years (excluding leaves of absence), the unvested portion of the Option shall immediately vest and become exercisable in full and the Optionee may exercise the Option, in whole or in part, up to and including the Expiration Date.

3.4 Termination due to Death. If the Optionee dies within a period in which he or she is entitled to exercise an Option, the vested portion of the Option may be exercised by the Optionee's Beneficiary, in whole or in part, until the earlier of (a) the first anniversary of the Optionee's death or (b) the Expiration Date. If an Optionee dies within a period in which he or she is entitled to exercise an Option and has been employed full time by the Corporation or a Subsidiary for at least a total of 15 years (excluding leaves of absence), the unvested portion of the Option shall immediately vest and become exercisable in full and the Option may be exercised by the Optionee's Beneficiary, in whole or in part, up to and including the Expiration Date.

4. Method of Exercise.

4.1 Election to Exercise. To exercise the Option in whole or in part, the Optionee (or in the case of exercise after the Optionee's death or incapacity, the Optionee's executor, administrator, heir or legatee, as the case may be) must deliver to the Corporation an exercise notice in the form attached as Exhibit A or as may otherwise be designated by the Corporation from time to time.

4.2 Method of Exercise. The entire Exercise Price of the Option shall be payable in full at the time the Option (or portion thereof) is exercised. Such payment shall be made:

- (a) in cash in United States currency;
- (b) subject to the consent of the Corporation at the time of exercise, by reduction in the number of shares of Common Stock otherwise deliverable upon exercise of such Option by the number of shares having an aggregate value equal to the total Exercise Price of the Option (or portion thereof) based on the Closing Price; or

(c) subject to the consent of the Corporation at the time of exercise, the Optionee may elect to receive in cash in an amount equal to the number of shares of Common Stock subject to the Option (or portion thereof) that is being exercised multiplied by the excess of (A) the Closing Price of the Common Stock, over (B) the exercise price per share of the Option.

4.3 Withholding. Prior to the issuance of shares upon the exercise of the Option, the Optionee must make arrangements satisfactory to the Corporation to pay or provide for any applicable federal, state and local withholding obligations of the Corporation. The Optionee may satisfy any federal, state or local tax withholding obligation relating to the exercise of the Option by any of the following means:

- (a) tendering a cash payment; or
- (b) authorizing the Corporation to withhold shares of Common Stock from the shares of Common Stock or the cash equivalent otherwise issuable to the Optionee as a result of the exercise of the Option; *provided, however*, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law.

The Corporation has the right to withhold from any compensation paid to an Optionee. Notwithstanding any action the Corporation takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (“**Tax-Related Items**”), the ultimate liability for all Tax-Related Items is and remains the Optionee’s responsibility

4.4 Issuance of Shares. Provided that the exercise notice and payment are in form and substance satisfactory to the Corporation, the Corporation shall issue the shares of Common Stock registered in the name of the Optionee, the Optionee’s designee (as designated in the notice of exercise), or the Optionee’s legal representative, and shall deliver certificates representing the shares with the appropriate legends affixed thereto.

5. No Right to Continued Employment; No Rights as Shareholder. Neither the Plan nor this Agreement shall confer upon the Optionee any right to be retained in any position, as an employee of the Corporation. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Corporation to terminate the Optionee’s employment at any time, with or without cause. The Optionee shall not have any rights as a shareholder with respect to any shares of Common Stock subject to the Option prior to the date of exercise of the Option.

6. Transferability. The Option is not transferable by the Optionee other than to a designated beneficiary upon the Optionee’s death or by will or the laws of descent and distribution, and is exercisable during the Optionee’s lifetime only by him or her. No assignment or transfer of the Option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary upon death by will or the laws of descent or distribution) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option will terminate and become of no further effect.

7. Adjustments. The shares of Common Stock subject to the Option may be adjusted in any manner as contemplated by Section 16 of the Plan.

8. Tax Matters. The Corporation (a) makes no representation or undertaking regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of the Option or the subsequent sale of any shares acquired on exercise; and (b) does not commit to structure the Option to reduce or eliminate the Optionee's liability for Tax-Related Items. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying shares and that the Optionee should consult a tax advisor prior to such exercise or disposition.

9. Compliance with Law. The exercise of the Option and the issuance and transfer of shares of Common Stock shall be subject to compliance by the Corporation and the Optionee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Corporation's shares of Common Stock may be listed. No shares of Common Stock shall be issued pursuant to this Option unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Corporation and its counsel. The Optionee understands that the Corporation is under no obligation to register the shares of Common Stock with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

10. Notices. Any notice required to be delivered to the Corporation under this Agreement shall be in writing and addressed to the Secretary of the Corporation at the Corporation's principal corporate offices. Any notice required to be delivered to the Optionee under this Agreement shall be in writing and addressed to the Optionee at the Optionee's address as shown in the records of the Corporation. In the event that Optionee elects to exercise its Option pursuant to Section 4.2(b) or (c), Optionee shall deliver the requisite exercise notice to the Secretary of the Corporation via email. Either party may designate another address in writing (or by such other method approved by the Corporation) from time to time.

11. Governing Law. This Agreement will be construed and its provisions enforced and administered in accordance with and under the laws of the State of Connecticut except to the extent that such laws may be superseded by any Federal law.

12. Options Subject to Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

13. Non-Transferability; Successors and Assigns. Each Option shall be nonassignable and nontransferable by the Optionee other than by will or by the laws of descent and distribution. Each Option shall be exercisable during the Optionee's lifetime only by the Optionee. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Corporation and upon the Optionee and the Optionee's beneficiaries, executors, administrators and the person(s) to whom the Option may be transferred by will or the laws of descent or distribution.

14. Amendment. Under certain circumstances, as set forth in Section 18 of the Plan, the Corporation has the right to amend the Plan and any outstanding Options; *provided, that*, no such amendment shall adversely affect the Optionee's rights under any outstanding Option without the Optionee's consent.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

16. Acceptance. The Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Optionee has read and understands the terms and provisions of the Plan and this Agreement, and accepts the Option subject to all of the terms and conditions of the Plan and this Agreement. The Optionee hereby agrees to accept as binding, conclusive, and final all decisions, determinations and interpretations of the Board of Directors upon any questions arising under the Plan.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ACME UNITED CORPORATION

By: _____
Name:
Title:

OPTIONEE

Name:

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Acme United Corporation on Form S-8 of our report dated March 30, 2022 with respect to our audits of the consolidated financial statements of Acme United Corporation as of December 31, 2021 and 2020 and for the years then ended and our report dated March 30, 2022 with respect to our audit of internal control over financial reporting of Acme United Corporation as of December 31, 2021, which reports are included in this Annual Report on Form 10-K of Acme United Corporation for the year ended December 31, 2021.

/s/ Marcum LLP

Marcum LLP
Boston, Massachusetts
October 7, 2022

CALCULATION OF REGISTRATION FEE

Plan	Security Type	Security Class Title	Fee Calculation Rule	Amount Registered (1)	Proposed Maximum offering Price Per Unit	Maximum aggregate Offering Price	Fee Rate	Amount of Registration Fee
2022 Employee Stock Option Plan	Equity	Common Stock, \$2.50 par value per share	Rule 457 (c) and 457 (h)	133,250 (2)	29.35(4)	\$3,910,888	\$110.20 per million dollars	\$ 430.98
2022 Employee Stock Option Plan	Equity	Common Stock, \$2.50 par value per share	Rule 457 (c) and 457 (h)	166,750(3)	26.94 (5)	\$4,492,245	\$110.20 per million dollars	\$ 495.05
Total Offering Amounts				300,000		\$8,403,133		\$ 926.03
Total Fee Offsets								\$ -
Net Fee Due								\$ 926.03

(1) Pursuant to Rule 416 under the Securities Act of 1933 (the “Securities Act”), this Registration Statement covers, in addition to the number of shares stated herein, an indeterminate amount of additional shares of the Company’s common stock, par value \$2.50 per share (the “Common Stock”), that may become issuable pursuant to the anti-dilution or other adjustment provisions of the Acme United Corporation 2022 Employee Stock Option Plan, as amended, (the “Employee Plan”).

(2) Consisting of shares of Common Stock issuable upon exercise of options which have been granted under the Employee Plan

(3) Consisting of shares of Common Stock issuable upon exercise of options which may be granted under the Employee Plan

(4) Determined pursuant to 457(h)(1) under the Securities Act, based upon the exercise price of the options.

(5) Estimated pursuant to Rules 457 (c) and 457 (h)(1) under the Securities Act, solely for the purpose of calculating the registration fee, based upon the average of the high and low prices for shares of the Common Stock reported on the NYSE American on September 23, 2022.