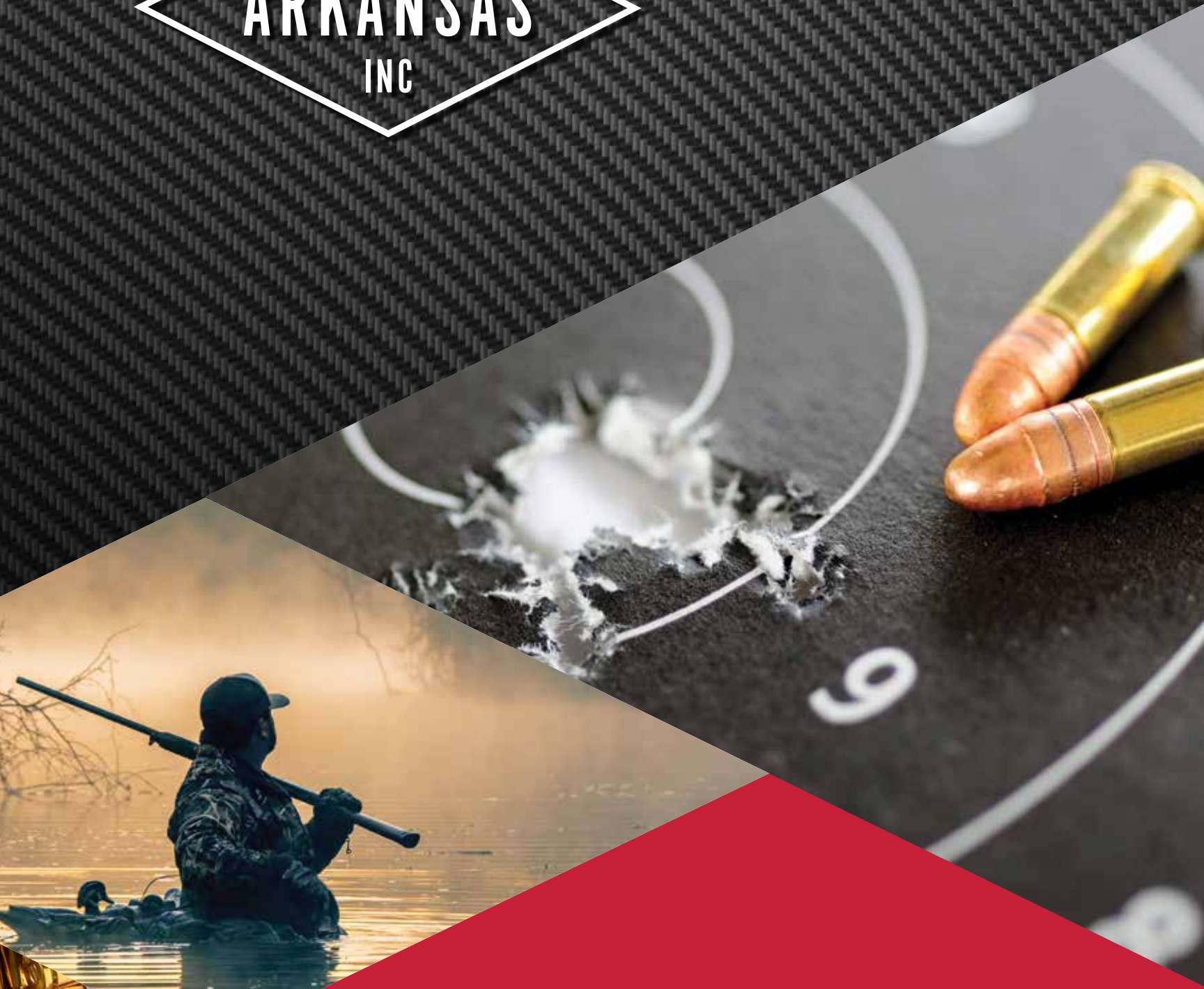


EXECUTIVE OVERVIEW
FIREARMS AND
AMMUNITION INDUSTRY

ARKANSAS
INC

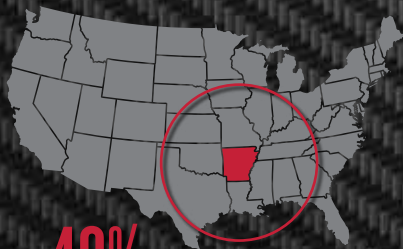


2 | OVERVIEW OF ARKANSAS

“WE DON'T
WANT TO JUST
COMPETE, WE
WANT TO WIN.”

Governor Asa Hutchinson

BUSINESS CLIMATE IN ARKANSAS



162
NUMBER OF FOREIGN COMPANIES

ARKANSAS
HAS SOME OF THE LOWEST UNION
MEMBERSHIP RATES IN THE U.S.

\$117.29 BILLION
2018 REAL GROSS DOMESTIC PRODUCT
FOR ARKANSAS

Arkansas offers a pro-business environment operating leaner, faster, and more focused through a streamlined state government designed to act quickly and decisively on corporate interests. Led by a governor who operates like a CEO, the state delivers the quick action and nimble solutions that companies need to efficiently expand and thrive in a competitive global economy. Solutions are built on the successes of six Fortune 500 companies and other business success stories. Come join this amazing venture we call “Arkansas Inc” and see how doing business in Arkansas can put you in some pretty good company.

Dillard's



BUSINESS CLIMATE IN ARKANSAS

1ST

TOP STATE FOR SMALL BUSINESS FRIENDLINESS

Source: Thumbtack, 2019

3RD

LOWEST COST OF DOING BUSINESS

Source: CNBC, Cost of Doing Business State Rankings 2019

3RD

ON THE COST OF LIVING INDEX (THIRD QTR 2019, SOURCE: C2ER)

Source: U.S. News and World Report, Best States Rankings Report 2019

7TH

TOP MANUFACTURING STATE BY PERCENTAGE OF WORKFORCE, THIRD IN THE SOUTH

Source: Business Facilities Magazine 2019, 15th Annual State Ranking Report

10TH

BEST BUSINESS CLIMATE

Source: Business Facilities Magazine 2019, 15th Annual State Ranking Report

THE INDUSTRY AT A GLANCE

UNIQUE ATTRIBUTES

2nd most Gun-Friendly state
- *Forbes* (2015)

#7 Ducks Unlimited ranked
eastern Arkansas Seventh
Greatest Place to Hunt
Waterfowl

27 for every 1,000 residents,
there are 27 registered
firearms in the state

15 pro-gun bills passed into
law during the last three
legislative sessions

3,274 people employed in the
arms and ammunitions
industry

WORKFORCE

7th highest percentage of
manufacturing
employment - *NAM*

1.3M skilled and trained
workforce

12.7% of Arkansas' workforce is
employed in manufacturing

EDUCATION

45 colleges, universities &
2-year colleges throughout
Arkansas

900+ Engineering degrees
awarded each year

160k+ students enrolled at an
Arkansas institution of
higher learning



NAVIGABLE WATERWAYS

1,000 miles



CLASS I RAILROAD

1,670 miles



STATE AND U.S. HIGHWAYS

16,467 miles



PUBLIC AIRPORTS

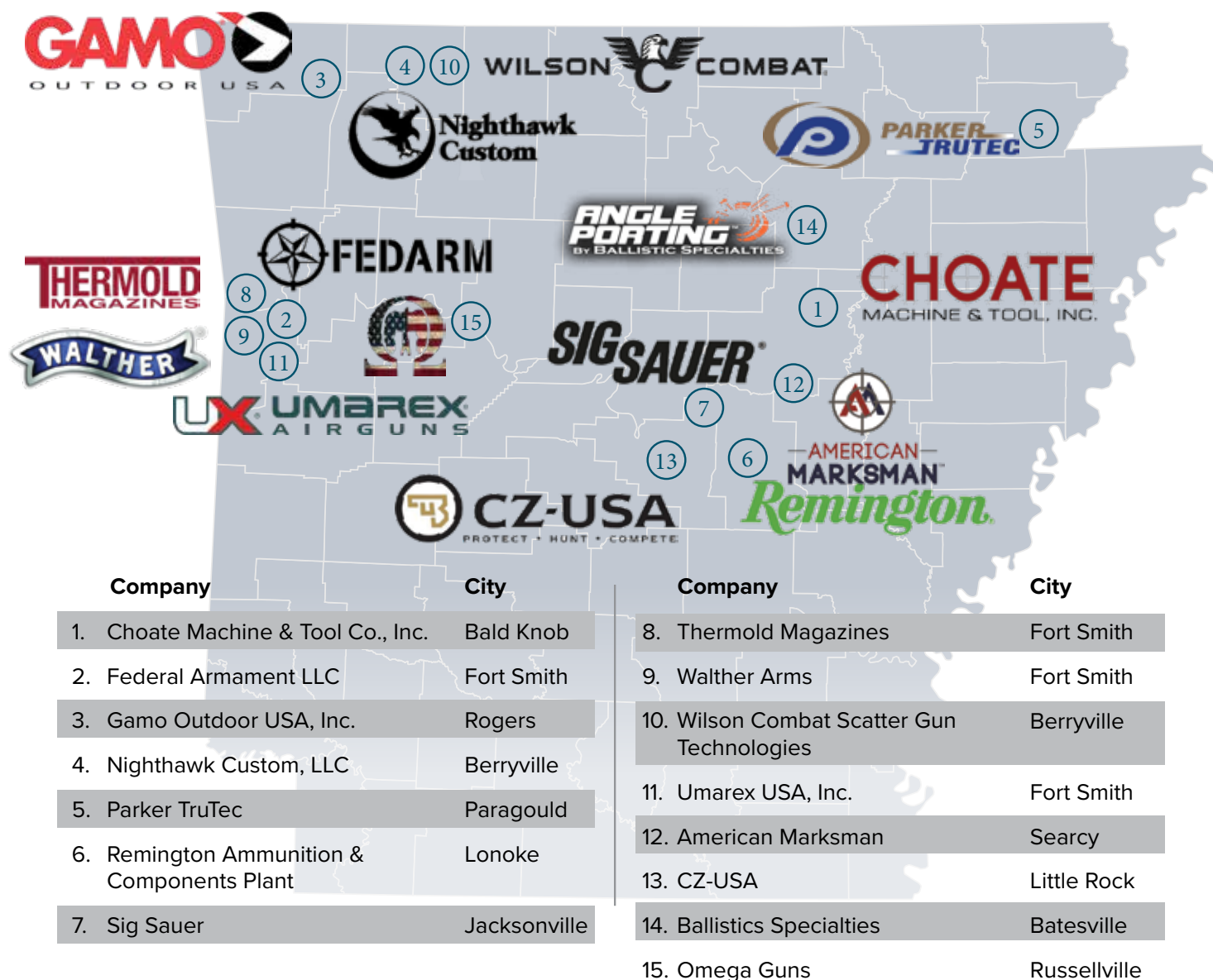
approximately 100



COMPETITIVE INCENTIVES

**including cash grant
assistance for qualified
projects**





RECENT MOVES



- **2019, CZ USA** : CZ-USA firearms manufacturer to move headquarters, production to Little Rock and create 565 jobs with \$90M capital investment over six-year period
- **2018, Sig Sauer, Inc.** : Manufacturing facility relocation to Jacksonville resulting in the creation of 77 jobs and \$22 million capital investment
- **2017, American Marksman LLC**: New Manufacturing facility in Searcy creating 71 new jobs and \$600,000 capital investment
- **2017, GAMO Outdoor USA, Inc.** : 88 Jobs and \$8.1 million capital investment at new manufacturing facility in Rogers.



ADVANTAGE ARKANSAS PROGRAM

The Advantage Arkansas Program is an income tax credit program for qualifying new and expanding companies. The credits earned will be equal to the appropriate percentage (based on tier map) of the net, new payroll for a period of five years.

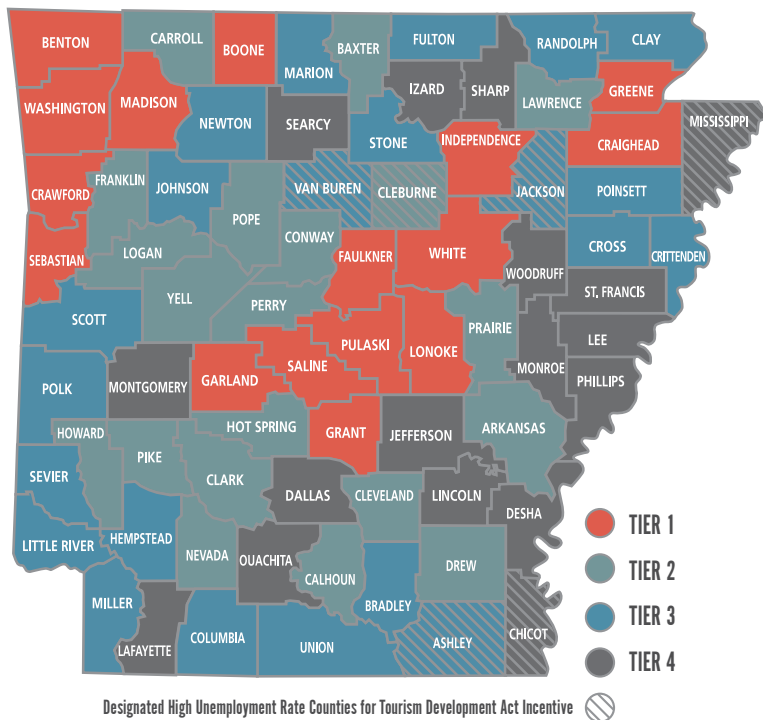
ARKPLUS PROGRAM

The ArkPlus Program is offered at the discretion of the Arkansas Economic Development Commission (AEDC) Executive Director. The incentive offers an income tax credit for qualifying new and expanding companies. The program provides a 10% income tax credit based on the total investment in a new location or expansion project.

CREATE REBATE PROGRAM

The Create Rebate Program is an incentive the State of Arkansas reserves for projects that bring quality jobs to communities. The program is offered at the discretion of the AEDC Executive Director. This program offers a cash rebate based on the eligible net new payroll of a qualifying company.

ARKANSAS INCENTIVE TIER MAP



	TAX BACK			CREATE REBATE		ARKPLUS		ADVANTAGE ARKANSAS	
	INVESTMENT THRESHOLD	PAYROLL THRESHOLD	BENEFIT (% OF PAYROLL)	INVESTMENT THRESHOLD (BENEFIT = 10% OF INVESTMENT)	PAYROLL THRESHOLD	PAYROLL THRESHOLD	BENEFIT* (% OF PAYROLL)		
TIER 1	\$500,000	\$2,000,000	3.9%	\$5,000,000	\$2,000,000	\$125,000	1%		
TIER 2	\$400,000	\$1,750,000	4.25%	\$3,750,000	\$1,500,000	\$100,000	2%		
TIER 3	\$300,000	\$1,500,000	4.5%	\$3,000,000	\$1,200,000	\$75,000	3%		
TIER 4	\$200,000	\$1,250,000	5%	\$2,000,000	\$800,000	\$50,000	4%		

Minimum average hourly wage to qualify for incentive program is \$12.50

*Qualified businesses shall receive an additional tax credit of 1% of payroll if the new employees' average hourly wage exceeds 125% of the lesser of the state or county average wage

TAX BACK PROGRAM

The Tax Back Program grants a majority refund of state and local sales and use taxes paid on the purchases of materials used in the construction of a building or buildings or any addition, modernization or improvement to a new or expanding eligible business. A sales and use tax refund is also allowed for the purchases of taxable machinery or equipment associated with the building or project.

INFRASTRUCTURE ASSISTANCE

The AEDC often partners with companies and communities to share the cost of project infrastructure needs. The infrastructure needs can include, but are not limited to, site preparation, industrial access roads, sewer and water improvements, moving of existing equipment, rail spurs, parking lots and necessary improvements to the facility that have been approved by the Commission. Two programs available:

- Community Development Block Grant (CDBG)
- Governor's Quick Action Closing Fund (GOACF)

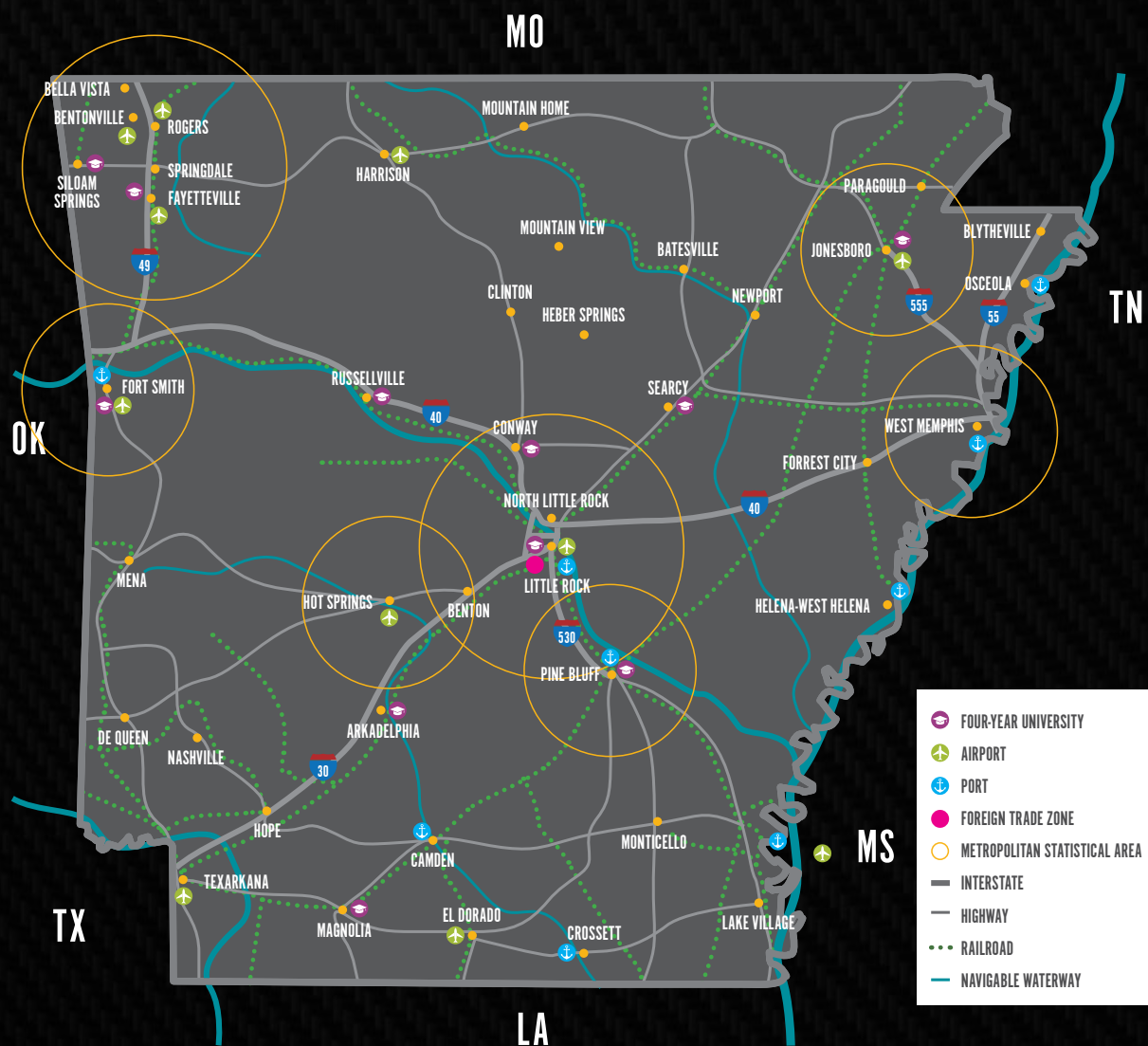
CUSTOMIZED TRAINING INCENTIVES

AEDC is committed to meeting the training needs of new and expanding businesses in the state. The AEDC's Customized Training Grants are flexible and highly customizable, providing reimbursement for both on- and off-site training for newly created positions related to an expansion or new location. Pre-employment training, new employee orientation, on-the-job training, and/or skills upgrades for new positions qualify under this program. These funds are offered at the discretion of the Executive Director of the AEDC.

OTHER INCENTIVES:

- Property Tax Abatement
- Equity Investment Tax Credits
- Recycling Tax Credit
- Research and Development Tax Credits
- Early Stage-Knowledge Based Programs
- Tuition Reimbursement Tax Credits

6 | INFRASTRUCTURE AND TRANSPORTATION



With its central location and comprehensive transportation infrastructure, it's not surprising that Arkansas has a large and growing distribution and logistics services sector.

In fact, Arkansas is home to two transportation/trucking companies on Fortune magazine's list of the largest 1,000 companies in the United States, based on annual revenue – J.B. Hunt Transport Services, Inc. and ArcBest.

Arkansas offers access to a market of 100 million people within a 550-mile radius of the state. That represents 40% of the total U.S. population.



MIKE PRESTON
Secretary of Commerce,
Executive Director
501-682-7351
mpreston@arkansasedc.com



CLINT O'NEAL
Executive Vice President, Global Business
501-682-7350
coneal@arkansasedc.com



BENTLEY STORY
Director, Business Development
501-682-7384
bstory@arkansasedc.com

BUSINESS DEVELOPMENT TEAM

KATHERINE HOLMSTROM
Senior Project Manager
501-682-7376
kholmstrom@arkansasedc.com

KATHERINE ANDREWS
Project Manager
501-682-6098
kandrews@arkansasedc.com

DUTCH KING
Project Manager
501-682-7353
dking@arkansasedc.com

JACK THOMAS
Project Manager
501-682-5355
jthomas@arkansasedc.com

STEVE JONES
Building & Sites Coordinator
501-682-7311
sjones@arkansasedc.com

BRITTANY BOHANNON
Business Development Coordinator
501-682-1152
bbohannon@arkansasedc.com

BEN WALTERS
International Business Development Manager
501-682-7334
bwalters@arkansasedc.com

NEAL JANSEN
Director, Japan & Southeast Asia Office
njansen@arkansasedc.com

LINDSAY LIU
Director, China Office
lliu@arkansasedc.com

DR. CORNELIUS SCHNITZLER
Director, Europe Office
cschnitzler@arkansasedc.com