

**UNITED STATES
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): March 2, 2020

AEROJET ROCKETDYNE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-01520
(Commission File Number)

34-0244000
(I.R.S. Employer Identification No.)

**222 N. Pacific Coast Highway, Suite 500
El Segundo, California 90245**
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (310) 252-8100

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

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

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common stock, \$0.10 par value | AJRD | New York Stock Exchange |

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

Emerging growth company

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

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

On March 2, 2020, pursuant to the authorization of the Organization & Compensation Committee (the “Compensation Committee”) of the Board of Directors (the “Board”) of Aerojet Rocketdyne Holdings, Inc. (the “Company”), the Company administered the fiscal 2020 compensation package for the Company’s named executive officers, other than Warren Lichtenstein, the Company’s Executive Chairman, as follows:

- 2020 base salaries to be effective March 7, 2020;
- 2020 Short-Term Incentive Plan (“STIP”), annual cash incentive award plan design, metrics and participation. The potential payouts range from 0% to 200% of an individual’s target incentive. Target incentives represent a percentage of an eligible participant’s base salary. The Compensation Committee has discretion to adjust these payments; and
- 2020 Long-Term Incentive Plan (“LTIP”) design, metrics and related grants. The 2020 LTIP consists of awards pursuant to the 2019 Equity and Performance Incentive Plan (“2019 Plan”) of (i) restricted stock units that will vest in 2023 subject to the Compensation Committee’s determination of the Company’s performance during the fiscal years 2020 through 2022, ranging from 0% to 200% times the participant’s LTIP target percentage and including pre-established Company performance objectives such as revenue, EBITDAP and Return on Invested Capital, and (ii) service-based restricted stock units that vest as to one-third of the award on each of the first, second and third anniversaries of grant.

The table below summarizes the 2020 base salaries, 2020 STIP incentive target percentages, and 2020 LTIP target percentages for the named executive officers listed below.

| Named Executive Officer | Title | 2020 Annual Base Salary | 2020 Annual Incentive Target Percentage | 2020 LTIP Target Percentage |
|-------------------------|---|-------------------------|---|-----------------------------|
| Eileen P. Drake | Chief Executive Officer and President | \$927,000 | 100% | 350% |
| Mark A. Tucker | Chief Operating Officer | \$540,475 | 75% ¹ | 200% ² |
| Paul R. Lundstrom | Vice President and Chief Financial Officer | \$498,202 | 75% | 200% |
| John Schumacher | Senior Vice President, Washington Operations and Communications | \$419,432 | 65% | 118% |
| Arjun L. Kampani | Vice President, General Counsel, and Secretary | \$414,064 | 65% | 118% |

1. Mr. Tucker’s 2020 STIP payment is 200% of his Incentive Target Percentage pursuant to Mr. Tucker’s Amended and Restated Executive Retention Agreement dated October 31, 2019 (the “Retention Agreement”).

2. Mr. Tucker’s LTIP participation is at a reduced level of 2/3 and such awards shall vest on December 31, 2020, pursuant to the Retention Agreement.

On March 3, 2020 the Company administered the fiscal 2020 compensation package for Mr. Lichtenstein with the following grants pursuant to the 2019 Plan:

- 17,409 time-based restricted stock units vesting as to one-third of the award on each of the first, second and third anniversaries of the grant having an aggregate grant date fair value of \$875,000; and
- 71,240 performance-based restricted stock units having an aggregate grant date fair value of \$2,625,000, with 1/3 to vest upon achieving a stock price of \$57.80; 1/3 to vest upon achieving a stock price of \$62.83; and 1/3 to vest upon achieving a stock price of \$67.85, with each such vesting to occur no later than the third anniversary of the grant date and with such stock price achievements in each case determined on the basis of the 20-day volume-weighted average price of the Company’s common stock as reported on the New York Stock Exchange.

On March 4, 2020, the Board approved the Company's Amended and Restated Executive Change in Control Severance Policy (the "Amended and Restated CIC Policy"). Under the Amended and Restated CIC Policy: (i) the period following a change in control in which a termination of employment without cause, resignation for good reason or termination due to death or disability will result in payment of change in control severance benefits to covered executives was changed to the period commencing six months prior to (or, if earlier, following the signing of a definitive agreement that, if consummated, would result in a change in control) and ending twenty-four months following a change in control, (ii) the change in control cash severance benefit payable to covered executives was increased from one times to two times the sum of the executive's base salary and target annual bonus, and the period during which a covered executive will be provided Company-paid COBRA in such a scenario was increased from twelve to twenty-four months, and (iii) the definition of the term "change in control" was amended to include (a) a merger in which shareholders of the Company cease to control at least 60% of the combined voting securities of the resulting entity and (b) a change in a majority of the members of the Board to members whose nomination was not approved by the existing members of the Board or that resulted from an actual or threatened proxy contest.

On March 4, 2020, the Company entered into a second amended and restated employment agreement (the "Second Amended and Restated Agreement") with Eileen Drake, pursuant to which Ms. Drake agreed to continue to serve as the Company's Chief Executive Officer and President. The Second Amended and Restated Agreement has an initial one-year term, which will be automatically extended, upon the same terms and conditions, for successive one-year periods unless either party, at least 60 days prior to the expiration of the then-current term, gives written notice to the other of its intention not to renew such employment.

The Second Amended and Restated Agreement provides that Ms. Drake will receive an annual base salary increase to \$927,000 (from \$825,000), with such base salary increase becoming effective on March 7, 2020. The Second Amended and Restated Agreement also increases the value of Ms. Drake's annual equity awards to a target opportunity of 350% of her annual base salary (increased from 345.5%). Additionally, the Second Amended and Restated Agreement: (i) changes the period following a change in control in which a termination of employment without cause, resignation for good reason or termination due to death or disability will result in payment of Ms. Drake's change in control severance benefits from eighteen months following a change in control to the period commencing six months prior to (or, if earlier, following the signing of a definitive agreement that, if consummated, would result in a change in control) and ending twenty-four months following a change in control, (ii) increases Ms. Drake's change in control cash severance benefit from 1.5 times to 3 times the sum of her base salary and target annual bonus and increases the period during which Ms. Drake will be provided Company-paid COBRA in such a scenario from eighteen to twenty-four months, (iii) links the change in control definition under the Second Amended and Restated Agreement to the definition in the Amended and Restated CIC Policy and (iv) makes certain other edits meant to align Ms. Drake's change in control severance benefits and protection to that provided under the Amended and Restated CIC Policy.

The foregoing descriptions of the Amended and Restated CIC Policy and the Second Amended and Restated Agreement do not purport to be complete and are qualified in their entirety by reference to the Amended and Restated CIC Policy and the Second Amended and Restated Agreement, which are attached as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit No. | Description |
|----------------------|--|
| 10.1 | Aerojet Rocketdyne Holdings, Inc. Amended and Restated Executive Change in Control Severance Policy |
| 10.2 | Second Amended and Restated Employment Agreement between Aerojet Rocketdyne Holdings, Inc. and Eileen Drake, dated March 4, 2020 |
| 104 | Cover Page Interactive Data File (included as Exhibit 101) -- the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |

SIGNATURE

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

AEROJET ROCKETDYNE HOLDINGS, INC.

Date: March 6, 2020

By: /s/ Arjun Kampani

Name: Arjun Kampani

Title: Vice President, General Counsel and Secretary

AEROJET ROCKETDYNE HOLDINGS, INC.
AMENDED AND RESTATED EXECUTIVE
CHANGE IN CONTROL SEVERANCE POLICY
As of March 4, 2020

Section. 1. *Introduction.*

(a) The purpose of this Amended and Restated Executive Change in Control Severance Policy (the “**Policy**”) is to provide for the payment of severance benefits to Eligible Officers (as defined below) of Aerojet Rocketdyne Holdings, Inc. (the “**Company**”) who incur a qualified termination of employment in connection with a Change in Control (as defined below) and to provide certain additional benefits if such termination occurs. An “**Eligible Officer**” means an executive officer of the Company or any of its subsidiaries, other than the Company’s Executive Chairman and Chief Executive Officer, who has been designated in writing by the Board of Directors of the Company (the “**Board**”) (or its Organization & Compensation Committee, including any replacement or successor committee (the “**Compensation Committee**”)) as eligible to participate in the Policy. Once an employee is designated as an Eligible Officer, such employee shall be an Eligible Officer for the duration of the Policy.

Section. 2. *Amendment or Termination of the Policy.* The Board or the Compensation Committee may amend or terminate the Policy at any time, except:

(a) During the 24-month period following a Change in Control, the Policy may not be terminated or amended in a way that would adversely affect an Eligible Officer without such Eligible Officer’s written consent.

(b) With respect to any individual who is an Eligible Officer as of the date of any termination or amendment of the Policy, and subject to Section 2(a), unless such termination or amendment is determined by the Board (or the Compensation Committee) in its sole discretion to be necessary or appropriate to minimize or eliminate adverse tax treatment to Eligible Officers or to the Company (whether under Section 409A (as defined below) or otherwise), then without such Eligible Officer’s written consent, the termination or amendment of the Policy shall not be effective as it applies to such Eligible Officer until (x) the first anniversary of the date the termination or amendment of the Policy is approved or adopted by the Board (or the Compensation Committee) or (y) if such approval or adoption date occurs within the 12-month period prior to a Change in Control, the 24-month anniversary of the Change in Control.

(c) No such amendment or termination of the Policy shall give the Company (or any successor) the right to recover any amount paid to an Eligible Officer prior to the date of such amendment or termination, or to cause the cessation of severance payments and benefits to an Eligible Officer who has executed a Release (as defined below).

Nothing in this Section 2 shall be construed to limit the ability of the Company to amend the Equity Plan, adopt or amend any successor or replacement equity compensation plan, or enter into any agreement with an Eligible Officer, regardless of the effect on the Policy.

Section. 3. *Eligibility for Change in Control Severance Benefits Under the Policy.*

(a) In order to be eligible to receive any benefits under Section 4 of this Policy, the Eligible Officer must execute an acknowledgment form in the form attached to this Policy as Exhibit A.

(b) In order to be eligible to receive any benefits under Section 4 of this Policy, the Eligible Officer must, within 60 days following the Termination Date (as defined below) (such 60-day period referred to as the “**Release Period**”), execute a general waiver and release of all claims in favor of the Company, in a form prescribed by the Company (the “**Release**”), and such Release must become effective, binding and irrevocable by the end of the Release Period in accordance with its terms. In addition to the general waiver and release of claims, such Release shall also provide that the Eligible Officer:

(i) will not engage in any conduct that is injurious to the Company’s reputation or interest, including but not limited to publicly disparaging (or inducing or encouraging others to publicly disparage) the Company;

(ii) shall return to the Company any and all originals and copies of documents, materials, records, credit cards, keys, building passes, computers, smartphones, tablets, PDAs and other electronic devices or other items in his or her possession or control belonging to the Company or containing proprietary information relating to the Company;

(iii) will cooperate with the Company and its/their counsel in connection with any investigation, administrative proceeding or litigation relating to any matter in which the Eligible Officer was involved or of which Eligible Officer has knowledge; and

(iv) that, in the event the Eligible Officer is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony (in a deposition, court proceeding or otherwise) that in any way relates to the Eligible Officer’s employment with the Company, the Eligible Officer will give prompt notice of such request to the Company, and subject to applicable law, will make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

(c) An Eligible Officer will not receive benefits under the Policy if an Eligible Officer’s employment with the Company terminates for any reason not specified in Section 4 hereof.

(d) All benefits that an Eligible Officer may be or become entitled to under this Policy will terminate immediately if the Eligible Officer, at any time, violates any proprietary information, intellectual property or confidentiality obligation to the Company or the terms of the Release.

Section. 4. *Change in Control Severance Benefits.* In the event that an Eligible Officer incurs a termination of employment by reason of a Change in Control Termination at any time, and subject to the provisions of Section 6, the Eligible Officer shall be entitled to, in lieu of any other severance compensation and benefits whatsoever, the following payments and benefits (subject to the terms and conditions of this Policy), in addition to payment of any Accrued Obligations:

(i) a one-time lump sum cash payment equal to two times such Eligible Officer's annual base salary in effect on the Termination Date (or, if greater, the Eligible Officer's annual base salary in effect immediately prior to the Change in Control), payable within 15 days following the last date on which the Release can be revoked;

(ii) a prorated (to the Termination Date) portion of the incentive compensation payment such Eligible Officer would have received under the Company's Short-Term Incentive Plan (the "STIP") for the fiscal year in which the Termination Date occurs (based on the greater of target level or actual performance), and the full incentive compensation payment such Eligible Officer would have received under the STIP for the fiscal year prior to the year in which the Termination Date occurs to the extent not yet paid (based on actual performance as determined by the Board or the Compensation Committee in its discretion for other STIP participants following year-end), and payable at the same time as such other STIP participants receive payments under the STIP;

(iii) a one-time lump sum cash payment equal to two times the "target" incentive compensation such Eligible Officer could have received under the STIP for the fiscal year in which the Termination Date occurs, payable within 15 days following the last date on which the Release can be revoked;

(iv) continued participation in the Aerojet Rocketdyne's Executive Physical Program for a period of twenty-four months, and for so long as the Eligible Officer timely elects (and remains eligible for) health benefits continuation pursuant to COBRA payment by the Company of the Eligible Officer's applicable premiums (including spouse or family coverage if the Eligible Officer had such coverage on the Termination Date) for such continuation coverage under COBRA (payable as and when such payments become due) during the period commencing on the Termination Date and ending on the earliest to occur of (a) the 24-month anniversary of the Termination Date, and (b) the date on which the Eligible Officer and his or her covered dependents, if any, become eligible for health insurance coverage through another employer; and

(v) to the extent unvested, effective on the effective date of the Release, immediate full vesting of all of the Eligible Officer's equity awards (at the maximum level of performance, if applicable); and

(vi) outplacement services provided by the Company-designated outplacement firm for a period of 12 months starting no later than ninety (90) days from the Eligible Officer's date of termination with a maximum value of \$15,000.

Severance compensation and benefits received under the Policy will not be included in compensation or earnings for purposes of determining benefits under any employee welfare or pension benefit plan (including 401(k) plan) of the Company except to the extent provided specifically under the terms of such plan.

The Company's obligation to pay the Eligible Officer the amounts provided and to make the arrangements provided shall not be subject to set-off, counterclaim or recoupment of amounts owed by the Eligible Officer to the Company or its affiliates. The Eligible Officer shall not be required to mitigate the amount of any payment provided for pursuant to this Policy by seeking other employment, and no amounts otherwise earned shall be set-off against the amounts due.

Section. 5. *Definitions.* For purposes of this Policy:

(i) **"Accrued Obligations"** means, each as determined and payable in accordance with the applicable Company policy or benefit plan, (x) accrued and unpaid wages, (y) accrued and unused vacation, and (z) to the extent vested, any other payments or benefits pursuant to any Company benefit plans.

(ii) **"Cause"** means that the Eligible Officer: (A) pleads "guilty" or "no contest" to or is convicted of a felony under federal or state law or as a crime under federal or state law which involves Eligible Officer's fraud or dishonesty; (B) in carrying out the Eligible Officer's duties, engages in conduct that constitutes gross negligence or willful misconduct that results in material harm to the Company; (C) fails to reasonably and materially perform the responsibilities of Eligible Officer's position (other than any such failure resulting from incapacity due to physical or mental illness); (D) engages in misconduct that causes material harm to the reputation of the Company; or (E) materially breaches any term of this Policy or other material written policy of the Company, provided that if the Company provides written notice of Cause pursuant to (B) through (E), the Eligible Officer shall be given thirty (30) days from the date of such written notice to cure such conduct.

(iii) **"Change in Control"** shall mean the occurrence of any of the following events:

(a) all or substantially all (meaning having a total gross fair market value equal to 50% or more of the total gross fair market value of all of the Company's assets immediately before such acquisition or acquisitions) of the assets of the Company are acquired by a Person (during a twelve month period ending on the date of the most recent acquisition by such Person); or

(b) the Company is merged, consolidated, or reorganized into or with another corporation or entity in one or a series of transactions during a twelve-month period with the result that upon the conclusion of the transaction less than 60% of the outstanding securities entitled to vote generally in the election of directors or other capital interests of the surviving, resulting or acquiring corporation are beneficially owned (as that term is defined in Rule 13-d 3 under the Exchange Act) by the stockholders of the Company immediately prior to the completion of the transaction in approximately the same proportions as such holdings by such stockholders immediately prior to the completion of the transaction; or

(c) the individuals who, immediately as of the date hereof, are members of the Board (the “**Company Incumbent Board**”) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election of any new director was approved by a vote of at least a majority of the Company Incumbent Board, such new director shall, for purposes of the Plan, be considered as a member of the Company Incumbent Board; provided further, however, that no individual shall be considered a member of the Company Incumbent Board if such individual initially assumed office as a result of either an actual or threatened “**Election Contest**” (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a “**Company Proxy Contest**”) including by reason of any agreement intended to avoid or settle any Election Contest or Company Proxy Contest.

(iv) “**Change in Control Termination**” means, within 24 months following a Change in Control, and subject to the following sentence, any termination of the Eligible Officer’s employment with the Company (or its successor) (A) by the Company (or its successor) for any reason other than Cause or (B) by the Eligible Officer for Good Reason. For avoidance of doubt, a “Change in Control Termination” shall include termination of the Eligible Officer’s employment with the Company (or its successor) due to the Eligible Officer’s Disability (as such term is defined under Section 409A) or death after a Change in Control. A Change in Control Termination also includes any termination of the Eligible Officer’s employment with the Company that occurs pursuant to clauses (A) or (B) of the first sentence of this paragraph if such termination occurs within six months prior to the occurrence of a Change in Control (or, if earlier, following the signing of a definitive agreement that if consummated would result in a Change in Control) and the Change in Control occurs. In the event the prior sentence applies to an Eligible Officer, the Eligible Officer’s date of termination shall be deemed to be the date of the Change in Control.

(v) “**Good Reason**” means the occurrence of one of the following events without the Eligible Officer’s consent: (A) a material diminution in Eligible Officer’s base salary or target annual bonus opportunity percentage, (ii) a requirement that the Eligible Officer be based anywhere other than within 25 miles of such Eligible Officer’s principal place of employment as of the date hereof, or (iii) a material diminution in the Eligible Officer’s title, duties, responsibilities, authority or reporting obligations from those in effect as of the date hereof (other than temporarily while the Eligible Officer is physically or mentally incapacitated or as required by applicable law); provided, however, that no event shall constitute Good Reason unless the Eligible Officer has notified the Company in writing of the Eligible Officer’s intention to so terminate the Eligible Officer’s employment, such notice: (i) to state in detail the particular acts or failures to act that constitute the grounds on which the proposed termination for Good Reason is based, (ii) to be given within sixty (60) days after the first occurrence of such acts or failures to act, and (iii) the Company shall have thirty (30) days following receipt of such notice to cure such acts or failures to act in all material respects. If the Company has not cured such acts or failures to act within the thirty (30) day cure period, then the Eligible Officer’s employment shall be immediately terminated for Good Reason.

(a) *Withholding Taxes.* The Company may withhold from any amounts payable under this Policy such federal, state, local and other taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) Section 409A.

(i) This Policy and the payments and benefits hereunder are intended to qualify for the short-term deferral exception to Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”), and all regulations, rulings and other guidance issued thereunder, all as amended and in effect from time to time (“**Section 409A**”), described in Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent possible, and to the extent they do not so qualify, they are intended to qualify for the involuntary separation pay plan exception to Section 409A described in Treasury Regulation Section 1.409A-1(b)(9)(iii) to the maximum extent possible.

(ii) To the extent Section 409A is applicable to this Policy, this Policy is intended to comply with Section 409A. Without limiting the generality of the foregoing, if on the date of termination of employment the Eligible Officer is a “specified employee” within the meaning of Section 409A as determined in accordance with the Company’s procedures for making such determination, to the extent required in order to comply with Section 409A, amounts that would otherwise be payable under this Policy during the six-month period immediately following the Termination Date shall instead be paid within 10 days of the first business day after the date that is six months following the Termination Date (or, if earlier, the date of death of the Eligible Officer).

(iii) To the extent the Release Period crosses two calendar years, and to the extent required in order to comply with Section 409A, amounts that would otherwise be payable under this Policy during the Release Period in the initial calendar year shall be paid within 10 days of the January 1st of the second calendar year.

(iv) All references herein to “**Termination Date**” or “termination of employment” shall mean separation from service as an employee within the meaning of Section 409A(a)(2)(A)(i) of the Code and Treasury Regulation Section 1.409A-1(h).

(v) The Company makes no representation or warranty and shall have no liability to any Eligible Officer or any other person if any provisions of this Policy are determined to constitute deferred compensation subject to Section 409A but do not satisfy an exemption from, or the requirements of, Section 409A. The Company shall not have any liability to any Eligible Officer or any other person in the event Section 409A applies to payments and benefits under the Policy in a manner that results in adverse tax consequences for the Eligible Officer or such person.

(vi) Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Policy is determined to be subject to Section 409A, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses), in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which such Eligible Officer incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

(c) *Section 280G Contingent Cutback.* In the event that the payments and benefits provided for in this Policy or otherwise payable to an Eligible Officer (i) constitute “parachute payments” within the meaning of Section 280G of the Code and (ii) but for this provision, would be subject to the excise tax imposed by Section 4999 of the Code, then such severance and other payments and benefits shall be payable either (i) in full or (ii) as to such lesser amount that would result in no portion of such payments and benefits being subject to the excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by such Eligible Officer on an after-tax basis, of the greatest amount of payments and benefits under this Policy or otherwise, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999 of the Code. To the extent any of such benefits and payments provided for in this Policy are “deferred compensation” within the meaning of Section 409A, any reduction shall be made in the following manner: first a pro rata reduction of (i) cash payments subject to Section 409A as deferred compensation and (ii) cash payments not subject to Section 409A, and second a pro rata cancellation of (x) equity-based compensation subject to Section 409A as deferred compensation and (y) equity-based compensation not subject to Section 409A; *provided* that reduction in either cash payments or equity compensation benefits shall be made pro rata between and among benefits that are subject to Section 409A and benefits that are exempt from Section 409A. Unless the Company and such Eligible Officer otherwise agree in writing, any determination required under this provision shall be made in writing by the Company’s independent public accountants (the “**Accountants**”), whose determination shall be conclusive and binding upon such Eligible Officer and the Company for all purposes. For purposes of making the calculations required by this provision, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and such Eligible Officer shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision.

Section. 7. *Miscellaneous.*

(a) *Entire Agreement; No Duplication of Benefits.* Any amounts payable hereunder shall be reduced by any notice under, or payments in lieu of notice under, the WARN Act (or similar state law). Any amounts payable under this Policy shall not be duplicative or cumulative of any other severance benefits, and to the extent an Eligible Officer has executed an individually negotiated written agreement with the Company relating to severance benefits after a “change in control” (or such similar term) that is in effect on his or her Termination Date, no amounts will be due hereunder.

(b) *No Implied Employment Contract.* This Policy is not an employment contract. Nothing in this Policy or any other instrument executed pursuant to this Policy shall confer upon an Eligible Officer any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate an Eligible Officer's employment at any time for any reason. The Company and the Eligible Officer acknowledge that the Eligible Officer's employment is and shall continue to be "at-will", as defined under applicable law, except to the extent otherwise expressly provided in a written agreement between the Eligible Officer and the Company.

(c) *Exclusive Discretion.* The Board, the Compensation Committee or another authorized committee thereof will have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Policy and to construe and interpret the Policy and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Policy, including, but not limited to, the eligibility to participate in the Policy and amount of benefits paid under the Policy, and its rules, interpretations, computations and other actions will be binding and conclusive on all persons.

(d) *Notice.* Notices and all other communications contemplated by this Policy shall be in writing and shall be deemed to have been duly given when personally delivered, sent by facsimile or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Eligible Officer, mailed notices shall be addressed to him or her at the home address or facsimile number shown on the Company's corporate records, unless a different address or facsimile number is subsequently communicated to the Company in writing. In the case of the Company, mailed notices or notices sent by facsimile shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of the Company's General Counsel (or, in the event the Eligible Officer is the General Counsel of the Company, then to the Company's Chief Executive Officer).

(e) *No Waiver.* The failure of a party to insist upon strict adherence to any term of this Policy on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Policy.

(f) *Severability.* In the event that any one or more of the provisions of this Policy shall be or become invalid, illegal or unenforceable in any respect or to any degree, the validity, legality and enforceability of the remaining provisions of this Policy shall not be affected thereby. The parties intend to give the terms of this Policy the fullest force and effect so that if any provision shall be found to be invalid or unenforceable, the court reaching such conclusion may modify or interpret such provision in a manner that shall carry out the parties' intent and shall be valid and enforceable.

(g) *Successors.* The Company shall have the right to assign its rights and obligations under this Policy to an entity that (whether direct or indirect, by purchase, merger, consolidation or otherwise) acquires all or substantially all of the assets of the Company. The rights and obligations of the Company under this Policy shall inure to the benefit and shall be binding upon the successors and assigns of the Company. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by the Policy, the Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to the Company to expressly and unconditionally assume the Policy in writing and honor the obligations of the Company hereunder, in the same manner and to the same extent that the Company would be required to perform if no succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall entitle Eligible Officers to such severance compensation and benefits from the Company in the same amount and on the same terms as the Eligible Officer would be entitled hereunder if the Eligible Officer had terminated his or her employment with Good Reason following a Change in Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

An Eligible Officer shall not have any right to assign his or her obligations under this Policy and shall only be entitled to assign his or her rights under this Policy upon his or her death, solely to the extent permitted by this Policy, or as otherwise agreed to by the Company.

(h) *Creditor Status of Eligible Officers.* In the event that any Eligible Officer acquires a right to receive payments from the Company under the Policy such right shall be no greater than the right of any unsecured general creditor of the Company.

(i) *Governing Law.* This Policy is intended to be governed by and will be construed in accordance with the laws of the State of Delaware.

**PARTICIPANT ACKNOWLEDGMENT AND ACCEPTANCE OF THE
AEROJET ROCKETDYNE HOLDINGS, INC.
AMENDED AND RESTATED
EXECUTIVE CHANGE IN CONTROL SEVERANCE POLICY**

I acknowledge that I have received this official plan document attached as Annex A hereto for the Aerojet Rocketdyne Holdings, Inc. Amended and Restated Executive Change in Control Severance Policy (the "**Policy**"), and confirm that I have read and understand the terms of the Policy. Furthermore, I agree that any compensation and benefits I may be due under the Policy will be paid under the rules, restrictions, terms and conditions as stated therein (and as may be subsequently modified). The Company agrees not to remove the undersigned as an Eligible Officer (as defined in the Policy) without the undersigned's written consent.

[NAME]

Date:

Agreed and Acknowledged:

Aerojet Rocketdyne Holdings, Inc.

By: _____

Name:

Title:

Date:

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of March 4, 2020 (the "Effective Date"), by and between Aerojet Rocketdyne Holdings, Inc. ("Aerojet Rocketdyne" or the "Company"), having its principal place of business at 222 N. Pacific Coast Highway Suite 500, El Segundo, California 90245 and Eileen P. Drake ("Executive", and the Company and Executive collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, the Company and Executive entered into an employment agreement, dated as of November 23, 2015 and an amended and restated employment agreement dated as of March 13, 2018;

WHEREAS, the Company desires to continue to employ Executive as the Chief Executive Officer and President ("CEO") of the Company; and

WHEREAS, the Parties desire to amend and restate the previous amended and restated employment agreement and enter into this Agreement embodying the terms of such continued employment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises of the Parties, the Parties, intending to be legally bound, agree as follows:

1. Title and Job Duties.

(a) Subject to the terms and conditions set forth in this Agreement, the Company agrees to continue to employ Executive as CEO. In this capacity, Executive shall have the duties, authorities and responsibilities commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies, and such other duties, authorities and responsibilities as the Board of Directors of the Company (the "Board") shall designate from time to time that are not inconsistent with Executive's position as CEO. Executive shall report directly to the Board and the Chairman of the Board. All employees of the Company shall report directly to Executive or her designee.

(b) Executive accepts such employment and agrees, during the term of her employment, to devote her full business and professional time and energy to the Company. Executive agrees to carry out and abide by all lawful directions of the Board and the Chairman of the Board that are consistent with her position as Chief Executive Officer.

(c) Without limiting the generality of the foregoing, Executive shall not, without the written approval of the Company, render services of a business or commercial nature on her own behalf or on behalf of any other person, firm, or corporation, whether for compensation or otherwise, during her employment hereunder, provided that the foregoing shall not prevent Executive from (i) serving on the boards of directors of non-profit organizations and, with the prior written approval of the Board, other for-profit companies, (ii) participating in charitable, civic, educational, professional, community or industry affairs, and (iii) managing Executive's passive personal investments so long as such activities in the aggregate do not materially interfere or conflict with Executive's duties or create a potential business or fiduciary conflict.

(d) Executive may own passive investments in Competing Businesses, defined below, (including, but not limited to, indirect investments through mutual funds), provided the securities of the Competing Business are publicly traded and Executive does not own or control more than one percent (1%) of the outstanding voting rights or equity of the Competing Business. "Competing Business" means any corporation, partnership, limited liability company, university, government agency or other entity or person (other than the Company) which is engaged in the development, manufacture, marketing, distribution or sale of, or research directed to aerospace and defense systems and in the Eastern Sacramento area, real estate development.

2. Salary and Additional Compensation.

(a) Base Salary. The Company shall pay to Executive an annual base salary ("Base Salary") of nine hundred twenty seven thousand dollars (\$927,000), less applicable withholdings and deductions, in accordance with the Company's normal payroll procedures, with such base salary effective as of March 7, 2020. The Organization & Compensation Committee (the "Committee") of the Board may increase Executive's annual Base Salary from time to time in its sole and absolute discretion.

(b) Bonus. Executive shall be eligible for an annual bonus based on a target opportunity pursuant to the Company's Short Term Incentive Plan ("Target Bonus") which shall be adopted annually by the Board. For each fiscal year, Executive's Target Bonus shall be one hundred percent (100%) of the annual Base Salary in effect for the then-current fiscal year. The annual incentive for each fiscal year will be calculated based on the performance metrics for each respective fiscal year, and will be paid at the same time as when normal course annual incentives amounts are paid. The Committee may adjust Executive's Target Bonus for any fiscal year in its sole and absolute discretion.

(c) Prior Equity Awards. To the extent that shares are unvested, Executive remains eligible to vest in all prior equity awards pursuant to the terms of the Amended and Restated 2009 Equity and Performance Incentive Plan (the "2009 Plan"), the Aerojet Rocketdyne 2018 Equity and Performance Incentive Plan (the "2018 Incentive Plan") and the Aerojet Rocketdyne 2019 Equity and Performance Incentive Plan (the "2019 Incentive Plan") (the 2009 Plan, 2018 Incentive Plan and 2019 Incentive Plan, including any amendment thereto, successor or replacement equity compensation plan of the Company, the "Plans") and any relevant grant agreements.

3. (d) Equity Awards. Executive shall be eligible to participate in future grants pursuant to the Plans and other Company performance incentive plans extended to senior executives of the Company generally, at levels commensurate with Executive's position. For each fiscal year, the target opportunity for grants of awards to Executive under the Long-Term Incentive Plan ("LTIP") is three hundred fifty percent (350%) of the annual Base Salary in effect for the then-current fiscal year. The Committee may adjust Executive's LTIP award target percentages from time to time in its sole and absolute discretion and the specific terms of any such awards, will, in all cases, be determined by the Committee at the time of the award. Expenses. In accordance with Company policy, the Company shall reimburse Executive for all reasonable business expenses properly and reasonably incurred and paid by Executive in the performance of her duties under this Agreement upon her presentation of detailed receipts in the form required by the Company's policy.

4. Benefits.

(a) Vacation. Executive shall be entitled to four weeks' vacation.

(b) Health Insurance and Other Plans. Executive shall be eligible to participate in the Company's medical, dental, short and long-term incentive plans, and other employee benefit programs, if any, that are provided by the Company for its employees generally, at levels commensurate with Executive's position, in accordance with the provisions of any such plans, as the same may be in effect from time to time.

5. Term. The terms set forth in this Agreement will commence on the Effective Date and shall remain in effect for one (1) year except as otherwise provided in this Agreement. The term of employment shall thereafter be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party, at least 60 days prior to the expiration of the original term or any extended term, shall give written notice to the other of its intention not to renew such employment. The period during which Executive is employed pursuant to this Agreement, including any extension thereof in accordance with the preceding sentence, shall be referred to as the "Employment Period".

6. Termination.

(a) Termination at the Company's Election.

(i) For Cause. At the election of the Company, Executive's employment may be terminated for Cause (as defined below) upon written notice to Executive pursuant to Section 10 of this Agreement. For purposes of this Agreement, "Cause" for termination shall mean that Executive: (A) pleads "guilty" or "no contest" to or is indicted for or convicted of a felony under federal or state law or as a crime under federal or state law which involves Executive's fraud or dishonesty; (B) in carrying out her duties, engages in conduct that constitutes gross negligence or willful misconduct; (C) fails to reasonably and materially perform the responsibilities of her position; (D) engages in misconduct that causes material harm to the reputation of the Company; or (E) materially breaches any term of this Agreement or written policy of the Company, provided that if the Company provides written notice of Cause pursuant to (C) through (E), Executive shall be given thirty (30) days from the date of such written notice to cure such conduct.

(ii) Upon Disability, Death or Without Cause. At the election of the Company, Executive's employment may be terminated without Cause: (A) should Executive become physically or mentally unable to perform her duties for the Company and such incapacity has continued for a total of ninety (90) consecutive days or any one hundred eighty (180) days in a period of three hundred sixty-five (365) consecutive days (a "Disability"); (B) upon Executive's death ("Death"); or (C) upon thirty (30) days' written notice for any other reason.

(b) Termination at Executive's Election.

(i) For Good Reason. At Executive's election, Executive's employment may be terminated for Good Reason (as defined below) by providing notice to the Company pursuant to Section 10 of this Agreement. For purposes of this Agreement, "Good Reason" shall be deemed to exist if the following actions occur without Executive's consent: (A) a material diminution in Executive's Base Salary or Target Bonus, (B) a requirement that Executive be based anywhere other than within 25 miles of Los Angeles, California, or (C) a material diminution in Executive's title, duties, responsibilities, authority or reporting obligations from those in effect on the Effective Date (it being understood that Executive's obligation to report to the Board and the Board's exercise of its final authority over Company matters shall not give rise to any such claim of diminution); provided, however, that no event shall constitute Good Reason unless Executive has notified the Company in writing of Executive's intention to so terminate Executive's employment, such notice: (i) to state in detail the particular acts or failures to act that constitute the grounds on which the proposed termination for Good Reason is based, (ii) to be given within sixty (60) days after the first occurrence of such acts or failures to act, and (iii) the Company shall have thirty (30) days following receipt of such notice to cure such acts or failures to act in all material respects. If the Company has not cured such acts or failures to act within the thirty (30) day cure period, then Executive's employment shall be immediately terminated for Good Reason.

(ii) Voluntary Resignation. Notwithstanding anything contained elsewhere in this Agreement to the contrary, Executive may terminate her employment at any time and for any reason whatsoever or for no reason at all in Executive's sole discretion by giving thirty (30) days written notice pursuant to Section 10 of this Agreement.

7. Payments upon Termination of Employment.

(a) Termination for Cause or Resignation without Good Reason. If Executive's employment is terminated by the Company for "Cause" or if Executive resigns from her employment other than for "Good Reason", Executive shall be entitled to the following amounts only: (A) payment of her Base Salary accrued up to and including the date of termination or resignation, to be paid at termination, (B) payment in lieu of any accrued but unused vacation time, in accordance with the Company's vacation policy, (C) payment of any unreimbursed expenses in accordance with the Company's business reimbursement policy; and (D) payments and benefits under any Company benefit plan, program or policy that Executive participated in during employment and paid pursuant to the terms of such plan, program and policy (collectively, the "Accrued Obligations"). Unless otherwise required by law under the terms of any applicable Company benefit plan, program or policy, the benefits pursuant to Section 4(a) and (b) of this agreement will terminate at the end of the month of termination of employment. For the avoidance of doubt, (i) Executive will not be entitled to receive any bonus payments other than those fully earned and paid by the date of termination; (ii) all vesting on awards granted to Executive under the Plans or other Company performance or incentive plan will cease; and (iii) any unvested awards granted under the Plans or other Company performance or incentive plan will be forfeited.

(b) Termination due to Death or Disability. If Executive's employment is terminated at any time due to her Death or Disability, Executive shall be entitled to receive the Accrued Obligations and severance payments and benefits equal to the following: (i) subject to Section 17, twelve (12) months of Executive's Base Salary paid in installments; (ii) any bonuses earned and paid by the date of termination; (iii) to the extent invested at the time of Executive's termination of employment pursuant to the terms of the applicable grant agreements, immediate full vesting of all of Executive's equity awards under the Plans (at the maximum level of performance, if applicable); (iv) outplacement services provided by the Company-designated outplacement firm for a period of eighteen (18) months starting no later than ninety (90) days from Executive's date of termination with a maximum value of \$25,000; (v) in the case of Death, Executive shall receive life insurance benefits paid in accordance with the terms of the policy and coverage in which Executive was enrolled before the date of Death; (vi) in the case of termination due to Disability, the Company shall pay for the premiums associated with six (6) months of Executive's continued participation, without any required contributions from Executive (but subject to all other plan and policy terms) in Executive's Company provided life insurance policy in which Executive is enrolled before the date of termination; and (vii) provided Executive timely elects and is eligible for COBRA coverage, the Company shall pay for the premiums associated with six (6) months of Executive's continued participation, without any required contributions from Executive (but subject to all other plan terms, including co-payments and deductibles) in the Aerojet Rocketdyne Medical Plan, Aerojet Rocketdyne Dental Plan, and the Aerojet Rocketdyne Vision Plan (the "Benefit Plans") in which Executive is enrolled before the date of termination. Payment of the Base Salary component of Executive's severance shall be made on regular paydays.

(c) Termination by the Company for Reasons other than Cause or Termination by Executive for Good Reason. If Executive's employment is terminated at the Company's election at any time for reasons other than Cause or by Executive for Good Reason and neither Section 7(b) nor Section 7(d) is applicable at the time of Executive's termination of employment, Executive shall be entitled to receive the Accrued Obligations and severance payments and benefits equal to the following: (i) subject to Section 17, twelve (12) months of Executive's Base Salary paid in installments; (ii) to the extent invested at the time of Executive's termination of employment pursuant to the terms of the applicable grant agreements, immediate full vesting of all of Executive's equity awards under the Plans (at the maximum level of performance, if applicable); (iii) Executive will have the opportunity to continue to participate in the Company provided life insurance policy in which Executive is enrolled before the date of termination at an amount of 1x Base Salary for a period of twelve (12) months following the date of termination; (iv) provided Executive timely elects and is eligible for COBRA coverage, the Company shall pay for the premiums associated with eighteen (18) months of Executive's continued participation, without any required contributions from Executive (but subject to all other plan terms, including co-payments and deductibles) in the Aerojet Rocketdyne Medical Plan, Aerojet Rocketdyne Dental Plan, and the Aerojet Rocketdyne Vision Plan (the "Benefit Plans") in which Executive is enrolled prior to the date of termination; and (v) outplacement services provided by the Company-designated outplacement firm for a period of eighteen (18) months starting no later than ninety (90) days from Executive's date of termination with a maximum value of \$25,000. Payment of the Base Salary component of Executive's severance shall be made on regular paydays. Subject to Executive's execution and delivery of a general release (that is no longer subject to revocation under applicable law) of the Company, its parents, subsidiaries and affiliates and each of its officers, directors, employees, agents, successors and assigns in the form attached as Exhibit A (the "General Release") all payments and/or grants under this Section 7(c) shall begin on the first payroll period that is sixty (60) days after Executive's termination of employment with the first payment for severance payments described in Section 7(c)(i) to include payment of any amounts otherwise due as of the date of termination.

(d) Termination in Connection with a Change in Control. Notwithstanding Section 7(c) above, if Executive's employment is terminated by the Company without Cause (including due to a Death or Disability) or by Executive for Good Reason within six (6) months prior to (or, if earlier, following the signing of a definitive agreement that if consummated would result in a Change in Control (as defined below); provided such Change in Control subsequently occurs) or twenty-four (24) months following a Change in Control then Executive shall be entitled to the following payments and benefits subject to Section 17: (i) the Accrued Obligations; (ii) annual Target Bonus for the pro-rated portion of the fiscal year prior to the Change in Control paid based on the greater of target or actual level of performance in a lump sum; (iii) a severance payment equal to three (3) times the sum of (y) Executive's Base Salary, plus (z) annual Target Bonus paid in a lump sum; (iv) to the extent unvested at the time of Executive's termination of employment pursuant to the terms of the applicable grant agreements, immediate full vesting of all of Executive's equity awards under the Plans (at the maximum level of performance, if applicable); (v) Executive will have the opportunity to continue to participate in the Company provided life insurance policy in which Executive is enrolled before the date of termination at an amount of 1x Base Salary for a period of twelve (12) months following the date of termination; (vi) provided Executive timely elects and is eligible for COBRA coverage, the Company shall pay for the premiums associated with twenty-four (24) months of Executive's continued participation, without any required contributions from Executive (but subject to all other plan terms, including co-payments and deductibles) in the Aerojet Rocketdyne Medical Plan, Aerojet Rocketdyne Dental Plan, Aerojet Rocketdyne's Executive Physical Program and the Aerojet Rocketdyne Vision Plan (the "Benefit Plans") in which Executive is enrolled prior to the date of termination; and (vii) outplacement services provided by the Company-designated outplacement firm for a period of eighteen (18) months starting no later than ninety (90) days from Executive's date of termination with a maximum value of \$25,000. Subject to Executive's execution and delivery of the General Release (provided, that such General Release was not previously executed and delivered), all payments and/or grants under this Section 7(d) shall begin on the first payroll period that is sixty (60) days after Executive's termination of employment or, if applicable, upon the consummation of a Change in Control. For purposes of this Agreement, a Change in Control shall have the meaning prescribed to such term in the Company's Executive Change in Control Severance Policy (the "Severance Policy") as in effect on the date hereto; provided, however, and notwithstanding the foregoing, in the event a "Change in Control" (or such similar term) were to occur under the Severance Policy as subsequently amended or under a successor or replacement equity compensation plan adopted by the Company, a Change in Control shall be deemed to have occurred under this Agreement.

(e) Termination of the Term. If Executive's employment terminates pursuant to written notice by the Company of its intention not to renew the term as provided in Section 5, then Executive shall be entitled to the payments set forth in 7(c) above.

(f) No Mitigation; No Set-Off. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided shall not be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment, and no amounts otherwise earned shall be set-off against the amounts due.

8. Confidentiality Agreement and Assignment of Intellectual Property.

(a) Executive understands that during the Employment Period, she may have access to unpublished and otherwise confidential information both of a technical and non-technical nature, relating to the business of the Company and any of its parents, subsidiaries, divisions, affiliates (collectively, "Affiliated Entities"), or clients, including without limitation any of their actual or anticipated business, research or development, any of their technology or the implementation or exploitation thereof, including without limitation information Executive and others have collected, obtained or created, information pertaining to clients, accounts, vendors, prices, costs, materials, processes, codes, material results, technology, system designs, system specifications, materials of construction, trade secrets and equipment designs, including information disclosed to the Company by others under agreements to hold such information confidential (collectively, the "Confidential Information"). Executive agrees to observe all Company policies and procedures concerning such Confidential Information. Executive further agrees not to disclose or use, either during her employment or at any time thereafter, any Confidential Information for any purpose, including without limitation any competitive purpose, unless authorized to do so by the Company in writing, except that she may disclose and use such information in the good faith performance of her duties for the Company. Executive's obligations under this Agreement will continue with respect to Confidential Information, whether or not her employment is terminated, until such information becomes generally available from public sources through no fault of Executive or any representative of Executive. Notwithstanding the foregoing, however, Executive shall be permitted to disclose Confidential Information as may be required by a subpoena or other governmental order, provided that she first notifies the Company of such subpoena, order or other requirement and such that the Company has the opportunity to obtain a protective order or other appropriate remedy.

(b) During Executive's employment, upon the Company's request, or upon the termination of her employment for any reason, Executive will promptly deliver to the Company all documents, records, files, notebooks, manuals, letters, notes, reports, customer and supplier lists, cost and profit data, e-mail, apparatus, computers, blackberries, smartphones, tablets or other PDAs, hardware, software, drawings, blueprints, and any other material of the Company or any of its Affiliated Entities or clients, including all materials pertaining to Confidential Information developed by Executive or others, and all copies of such materials, whether of a technical, business or fiscal nature, whether on the hard drive of a laptop or desktop computer, in hard copy, disk or any other format, which are in her possession, custody or control. Executive may retain Executive's rolodex and similar address books, provided, that such items only include contact information.

(c) Executive will promptly disclose to the Company any idea, invention, discovery or improvement, whether patentable or not ("Creations"), conceived or made by her alone or with others at any time during her employment. Executive agrees that the Company owns any such Creations, conceived or made by Executive alone or with others at any time during her employment, and Executive assigns and agrees to assign to the Company all rights she has or may acquire therein and agrees to execute any and all applications, assignments and other instruments relating thereto which the Company deems necessary or desirable. These obligations shall continue beyond the termination of her employment with respect to Creations and derivatives of such Creations conceived or made during her employment with the Company. The Company and Executive understand that the obligation to assign Creations to the Company shall not apply to any Creation which is developed entirely on her own time without using any of the Company's equipment, supplies, facilities, and/or Confidential Information unless such Creation (a) relates in any way to the business or to the current or anticipated research or development of the Company or any of its Affiliated Entities; or (b) results in any way from her work at the Company.

(d) Executive will not assert any rights to any invention, discovery, idea or improvement relating to the business of the Company or any of its Affiliated Entities or to her duties hereunder as having been made or acquired by Executive before her work for the Company, except for the matters, if any, described in Exhibit B to this Agreement.

(e) During the Employment Period, if Executive incorporates into a product or process of the Company or any of its Affiliated Entities anything listed or described in Exhibit B, the Company is granted and shall have a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license (with the right to grant and authorize sublicenses) to make, have made, modify, use, sell, offer to sell, import, reproduce, distribute, publish, prepare derivative works of, display, perform publicly and by means of digital audio transmission and otherwise exploit as part of or in connection with any product, process or machine.

(f) Executive agrees to cooperate fully with the Company, both during and after her employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents, trademarks and other intellectual property rights (both in the United States and foreign countries) relating to such Creations. Executive shall sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Creations. Executive further agrees that if the Company is unable, after reasonable effort, to secure Executive's signature on any such papers, any officer of the Company shall be entitled to execute such papers as her agent and attorney-in-fact and Executive irrevocably designates and appoints each officer of the Company as her agent and attorney-in-fact to execute any such papers on her behalf and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Creations, under the conditions described in this paragraph.

9. Representation and Warranty. Executive represents and warrants to the Company that she is not subject to any agreement restricting her ability to enter into this Agreement and fully carry out her duties and responsibilities. To the extent that Executive continues to be bound by confidentiality, non-disparagement obligations with regard to her former employer, the Company and Executive agree that neither shall require Executive to disclose any confidential information of any prior employer of Executive or misappropriate any intellectual property belonging to any other person or entity during the Employment Period.

10. Notice. Any notice or other communication required or permitted to be given to the Parties shall be deemed to have been given if personally delivered, if sent by nationally recognized overnight courier or if mailed by certified or registered mail, return receipt requested, first class postage prepaid, and addressed as follows:

(a) If to Executive, to:

the address shown on the records of the Company.

(b) If to the Company, to:

Aerojet Rocketdyne Holdings, Inc.
222 N. Pacific Coast Highway Suite 500
El Segundo, California 90245
Attention: Executive Chairman of the Board

with a copy to:

Aerojet Rocketdyne Holdings, Inc.
222 N. Pacific Coast Highway Suite 500
El Segundo, California 90245
Attention: Vice President, Human Resources

11. Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, all other provisions shall nonetheless remain in full force and effect.

12. Governing Law and Arbitration. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without regard to the conflict of laws provisions thereof. Any action, suit or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be submitted to final and binding arbitration pursuant to the Employment Arbitration Rules of the American Arbitration Association before a single arbitrator, who is agreed upon by the Parties, and who is a retired state or federal court judge. The arbitration shall take place in Los Angeles, California. The arbitrator will have the authority to permit discovery and to follow the procedures that she or she determines to be appropriate, as provided for under California law. The arbitrator will have no power to award consequential (including lost profits), punitive or exemplary damages. Such submission to arbitrate shall be the sole and exclusive remedy available to Executive or the Company. The filing Party shall bear filing fees for the arbitration and each Party shall bear its own legal fees and costs resulting from the arbitration, unless a contract or statute provides for recovery to the prevailing party. The judgment on the award rendered by the arbitrator shall be binding upon the Parties and may be entered in any court having jurisdiction. Neither party may seek judicial review of the decision imposed by the arbitrator.

13. Indemnification and Liability Insurance. The Company shall indemnify, and if applicable, defend Executive and provide Executive with liability insurance pursuant to the terms of the Certificate of Incorporation of Aerojet Rocketdyne Holdings, Inc. and the Aerojet Rocketdyne Holdings, Inc. Bylaws or, if the terms of the Certificate of Incorporation of Aerojet Rocketdyne Holdings, Inc. and the Aerojet Rocketdyne Holdings, Inc. Bylaws are no longer in effect, then pursuant to the terms then in effect for directors and officers of the Company.

14. Waiver. The waiver by either Party of a breach of any provision of this Agreement shall not be or be construed as a waiver of any subsequent breach. The failure of a Party to insist upon strict adherence to any provision of this Agreement on one or more occasions shall not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to that provision or any other provision of this Agreement. Any waiver must be in writing.

15. Assignment. This Agreement is a personal contract and Executive may not sell, transfer, assign, pledge or hypothecate her rights, interests and obligations hereunder. Except as otherwise herein expressly provided, this Agreement shall be binding upon and shall inure to the benefit of Executive and her personal representatives and shall inure to the benefit of and be binding upon the Company and its successors and assigns, except that the Company may not assign this Agreement without Executive's prior written consent, except to an acquirer of all or substantially all of the assets of the Company other than the real estate assets and upon written assumption of the obligations of this Agreement.

16. Entire Agreement. This Agreement (together with the attached Exhibits) embodies all of the representations, warranties, and agreements between the Parties relating to Executive's employment with the Company. No other representations, warranties, covenants, understandings, or agreements exist between the Parties relating to Executive's employment. This Agreement shall supersede all prior agreements, written or oral, relating to Executive's employment. This Agreement may not be amended or modified except by a writing signed by the Parties.

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Internal Revenue Code (“Code”) Section 409A and the regulations and guidance promulgated thereunder (collectively “Code Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies the Company (with specificity as to the reason therefore) that Executive believes that as a result of subsequent published guidance issued by the I.R.S. upon which taxpayers generally rely, any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Code Section 409A and the Company concurs with such belief or the Company independently makes such determination, the Company shall, after consulting with Executive, reform such provision to try to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company and is tax neutral to the Company of the applicable provision without violating the provisions of Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered “nonqualified deferred compensation” under Code Section 409A unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” If Executive is deemed on the date of termination to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2) (B), then with regard to any payment that is considered non-qualified deferred compensation under Code Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of Executive, and (B) thirty (30) days from the date of Executive’s death (the “Delay Period”). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 17 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum without interest on the first business day following the Delay Period, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) With regard to any provision that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Executive’s taxable year following the taxable year in which the expense occurred. Any tax gross-up payment as provided for in this Agreement shall be made in any event no later than the end of the calendar year immediately following the calendar year in which Executive remits the related taxes, and any reimbursement of expenses incurred due to a tax audit or litigation shall be made no later than the end of the calendar year immediately following the calendar year in which the taxes that are the subject of the audit or litigation are remitted to the taxing authority, or, if no taxes are to be remitted, the end of the calendar year following the calendar year in which the audit or litigation is completed.

(d) For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "within sixty (60) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

18. Limitation on Benefits. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Executive, or any arrangement or agreement with any person whose actions result in a change of ownership of effective control or a change in ownership of a substantial portion of the assets of the corporation covered by Section 280G(b)(2) (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this Section 18, would be subject to the excise tax imposed by Section 4999 of the Code, then the Payments shall be payable either (i) in full or (ii) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Section 4999 of the Code; whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes, payroll taxes and the excise tax imposed by Section 4999, results in Executive's receipt on an after-tax basis, of the greater amount of payment and benefits. Any reduction under clause (ii) of the preceding sentence shall be done first by reducing any cash severance payments with the last payment reduced first; next any equity or equity derivatives that are included at full value rather than accelerated value; next any equity or equity derivatives based on acceleration value shall be reduced with the highest value reduced first. Notwithstanding the foregoing, to the extent that the Company and Executive agree that it would not violate Code Section 409A or impact the ability of the parties to reduce the amounts receivable, Executive may prescribe a different order of reduction. Unless Executive and the Company otherwise agree in writing, any determination required under this Section 18 shall be made in writing by the Company's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 18, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely in reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 18. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 18. If the limitation set forth in this Section 18 is applied to reduce an amount payable to Executive, and the Internal Revenue Service successfully asserts that, despite the reduction, Executive has nonetheless received payments which are in excess of the maximum amount that could have been paid to Executive without being subjected to any excise tax, then, unless it would be unlawful for the Company to make such a loan or similar extension of credit to Executive, Executive may repay such excess amount to the Company as though such amount constitutes a loan to Executive made at the date of payment of such excess amount, bearing interest at 120% of the applicable federal rate (as determined under Section 1274(d) of the Code in respect of such loan), provided that if the recalculation of the higher amount was then redone based on the IRS position and Executive would net more if no reduction took place, such reduction shall be cancelled and the full amount paid to Executive in a lump sum within thirty (30) days of the IRS assessment becoming final, unless this proviso would negate the ability to use the reduction if this was not implemented or caused a violation of Code Section 409A, in which case this proviso shall be null and void.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered on the date above.

AEROJET ROCKETDYNE HOLDINGS, INC.

By: /s/ Arjun Kampani
Name: Arjun L. Kampani
Title: Vice President, General Counsel and Secretary

Agreed to and Accepted:

/s/ Eileen Drake
Eileen P. Drake

AGREEMENT AND RELEASE

Agreement and Release ("Agreement") executed this ___ day of _____, 20___, by and between Eileen P. Drake ("Executive") with an address at _____ and Aerojet Rocketdyne Holdings, Inc., its parents, subsidiaries and affiliates (the "Company") with an address at 222 N. Pacific Coast Highway, Suite 500, El Segundo, California 90245.

1. Executive's employment shall be terminated effective _____ ("Termination Date"). As of that date, Executive's duties, responsibilities, office and title shall cease. Capitalized terms used without definition in this Agreement shall have the meanings set forth in the Second Amended and Restated Employment Agreement by and between Executive and the Company, dated _____, 2020 (the "Employment Agreement").

2. (a) If Executive's employment terminates pursuant to Section 6(a)(ii) (Death, Disability or without Cause) or 6(b)(i) (for Good Reason) of the Employment Agreement and Section 7(d) of the Employment Agreement is not applicable as of the Termination Date, then within ten days of the Release Effective Date, defined below, the Company shall begin to pay to Executive the payments and benefits described in Section 7(b) or Section 7(c) as applicable, of the Employment Agreement in accordance with the Company's standard payroll procedures and on regular paydays.

(a) Notwithstanding Paragraph 2(a) above, if Executive's employment is terminated by the Company without Cause or by Executive for Good Reason within eighteen (18) months following a Change in Control, then Executive shall be entitled to the payments and benefits described in Section 7(d) of the Employment Agreement.

(b) The Company and Executive agree that in the event that any of the payments in this Paragraph 2 constitute deferred compensation within the meaning of Section 409(A) of the Internal Revenue Code of 1986, as amended (the "Code"), and Executive is at such time a specified employee, such payment or payments that constitute nonqualified deferred compensation within the meaning of the Code shall not be made prior to the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" (within the meaning of the Code) of Executive, and (B) thirty (30) days from the date of Executive's death.

3. Executive agrees and acknowledges that the payments and/or benefits provided in Paragraph 2 above exceed any payments and benefits to which Executive would otherwise be entitled under any policy, plan, and/or procedure of the Company absent her signing this Agreement. Executive acknowledges that she has been paid for work performed up to and including the Termination Date and for accrued but unused vacation.

4. Executive shall have up to twenty-one (21) days from the date of her receipt of this Agreement to consider the terms and conditions of this Agreement. Executive may accept this Agreement at any time within the twenty-one (21) day period by executing it before a notary and returning it to the Chairman of the Board of Directors, Aerojet Rocketdyne Holdings, Inc., 222 N. Pacific Coast Highway, El Segundo, California 90245, no later than 5:00 p.m. on the twenty-first (21st) day after Executive's receipt of this Agreement. Thereafter, Executive will have seven (7) days to revoke this Agreement by stating her desire to do so in writing to the Chairman of the Board of Directors at the address listed above, and delivering it to the Chairman of the Board of Directors no later than 5:00 p.m. on the seventh (7th) day following the date Executive signs this Agreement. The effective date of this Agreement shall be the eighth (8th) day following Executive's signing of this Agreement (the "Release Effective Date"), provided Executive does not revoke the Agreement during the revocation period. In the event Executive does not accept this Agreement as set forth above, or in the event Executive revokes this Agreement during the revocation period, this Agreement, including but not limited to the obligation of the Company and its subsidiaries and affiliates to provide the payment and/or benefits referred to in Paragraph 2 above, shall automatically be deemed null and void.

5. (a) In consideration of the payment and/or benefits referred to in Paragraph 2 above, Executive for herself and for her heirs, executors, and assigns (collectively referred to as the "Releasers"), forever releases and discharges the Company and any and all of its parent corporations, subsidiaries, divisions, affiliated entities, predecessors, successors and assigns, and any and all of its or their employee benefit and/or pension plans or funds, and any of its or their past or present officers, directors, stockholders, agents, trustees, administrators, employees or assigns (whether acting as agents for such entities or in their individual capacities), (collectively referred to as the "Releasees"), from any and all claims, demands, causes of action, fees and liabilities of any kind whatsoever (based upon any legal or equitable theory, whether contractual, common-law, statutory, decisional, federal, state, local or otherwise), whether known or unknown, which Releasers ever had, now have or may have against the Releasees by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter from the beginning of the world up to and including the Release Effective Date, except for the obligations of the Company under this Agreement.

(b) Without limiting the generality of the foregoing subparagraph (a), this Agreement is intended to and shall release the Releasees from any and all claims arising out of Executive's employment with Releasees and/or the termination of Executive's employment, including but not limited to any claim(s) under or arising out of (i) Title VII of the Civil Rights Act of 1964, as amended; (ii) the Americans with Disabilities Act, as amended; (iii) the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (excluding claims for accrued, vested benefits under any employee benefit plan of the Company in accordance with the terms of such plan and applicable law); (iv) the Age Discrimination in Employment Act, as amended, or the Older Workers Benefit Protection Act; (v) the California Fair Employment Practices and Housing Act; (vi) Section 806 of the Sarbanes Oxley Act of 2002; (vii) alleged discrimination or retaliation in employment (whether based on federal, state or local law, statutory or decisional); (viii) the terms and conditions of Executive's employment with the Company, the termination of such employment, and/or any of the events relating directly or indirectly to or surrounding that termination; and (ix) any law (statutory or decisional) providing for attorneys' fees, costs, disbursements and/or the like.

(c) As a further consideration and inducement for this Agreement, to the extent permitted by law, Executive hereby waives and releases any and all rights under Section 1542 of the California Civil Code or any analogous state, local, or federal law, statute, rule, order or regulation that Executive had or may have with respect to the Releasees. California Civil Code Section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive hereby expressly agrees that this Agreement shall extend and apply to all unknown, unsuspected and unanticipated injuries and damages, as well as any that are now disclosed, arising prior to Executive's execution of this Agreement. This release does not extend to those rights, which as a matter of law cannot be waived, including but not limited to unwaivable rights Executive may have under the California Labor Code. Nothing in this Agreement shall limit Executive's right to file a charge or complaint with any state or federal agency or to participate or cooperate in such a manner.

(d) Notwithstanding the foregoing, nothing in this Agreement shall be construed to prevent Executive from filing a charge with or participating in an investigation conducted by any governmental agency, including, without limitation, the United States Equal Employment Opportunity Commission ("EEOC") or applicable state or city fair employment practices agency, to the extent required or permitted by law. Nevertheless, Executive understands and agrees that she is waiving any relief available (including, for example, monetary damages or reinstatement), under any of the claims and/or causes of action waived in Paragraphs 5(a) and (b), including but not limited to financial benefit or monetary recovery from any lawsuit filed or settlement reached by the EEOC or anyone else with respect to any claims released and waived in this Agreement.

(e) Nothing in this Agreement shall release Executive's rights (i) as a stockholder of the Company; (ii) to any claims that arise following the execution of this Agreement; (iii) to payment of the Accrued Obligations (as defined in the Employment Agreement); (iv) to payment of the severance payments and benefits described in Section 2 of this Agreement; (v) to indemnification pursuant to the terms set forth in Section 13 of the Employment Agreement and pursuant to any other agreements currently in effect indemnifying Executive; (vi) to any claims for accrued vested benefits or rights under any other employee benefit plan, policy or arrangement (whether tax-qualified or not) maintained by the Company; (vii) to equity awards that are vested or which may vest under any equity, equity-based, profits interest, stock option, or similar plans, agreements, employment agreements and/or notices to the extent set forth in such awards or as otherwise provided for in such documents, which awards shall be subject to all the terms and conditions of such document.

6. (a) Executive agrees that she has not and will not engage in any conduct that is injurious to the Company's or the Releasees' reputation or interest, including but not limited to publicly disparaging (or inducing or encouraging others to publicly disparage) the Company or the Releasees. The foregoing shall not be violated by truthful testimony, if provided pursuant to the terms of Section 7(b).

(b) Executive acknowledges that she has returned to the Company any and all originals and copies of documents, materials, records, credit cards, keys, building passes, computers, smartphones, tablets, PDAs and other electronic devices or other items in her possession or control belonging to the Company or containing proprietary information relating to the Company pursuant to Section 8(b) of the Employment Agreement. Executive may retain Executive's rolodex and similar address books, provided, that such items only include contact information.

(c) Executive acknowledges that the terms of Section 8, Confidentiality Agreement and Assignment of Intellectual Property, of the Employment Agreement are incorporated herein by reference, and Executive agrees and acknowledges that she is bound by its terms.

7. (a) Executive will cooperate with the Company and/or its subsidiaries and affiliates and its/their counsel in connection with any investigation, administrative proceeding or litigation relating to any matter in which Executive was involved or of which Executive has knowledge.

(b) Executive agrees that, in the event she is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony (in a deposition, court proceeding or otherwise) that in any way relates to Executive's employment with the Company, she will give prompt notice of such request to the Chairman of the Board of Directors, Aerojet Rocketdyne Holdings, Inc., and will make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure, provided that nothing in this Agreement shall prevent Executive from complying with the requirements of the law.

8. Before public announcement, the terms and conditions of this Agreement are and shall be deemed to be confidential, and shall not be disclosed by Executive to any person or entity without the prior written consent of the Chairman of the Board of Directors, Aerojet Rocketdyne Holdings, Inc., except if required by law, and to Executive's accountants, attorneys, and spouse, provided that they agree to maintain the confidentiality of this Agreement. Executive further represents that she has not disclosed the terms and conditions of this Agreement to anyone other than her attorneys, accountants and spouse.

9. The making of this Agreement is not intended, and shall not be construed, as an admission that the Releasees have violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract, or committed any wrong whatsoever against Executive.

10. The parties agree that this Agreement may not be used as evidence in a subsequent proceeding except in a proceeding to enforce the terms of this Agreement.

11. Executive acknowledges that: (a) she has carefully read this Agreement in its entirety; (b) she has had an opportunity to consider fully the terms of this Agreement; (c) she has been advised by the Company in writing to consult with an attorney of her choosing in connection with this Agreement; (d) she fully understands the significance of all of the terms and conditions of this Agreement and she has discussed it with her independent legal counsel, or has had a reasonable opportunity to do so; (e) she has had answered to her satisfaction any questions she has asked with regard to the meaning and significance of any of the provisions of this Agreement; and (f) she is signing this Agreement voluntarily and of her own free will and assents to all the terms and conditions contained in this Agreement.

12. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

13. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, void, or unenforceable, such provision shall be of no force and effect. However, the illegality or unenforceability of such provision shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement; provided, however, that, upon any finding by a court of competent jurisdiction that the release and covenants provided for by Paragraph 6 above is illegal, void, or unenforceable, Executive agrees to execute a release, waiver and/or covenant that is legal and enforceable. Finally, any breach of the terms of Paragraphs 6, 7 and/or 8 above shall constitute a material breach of this Agreement as to which the Company may seek appropriate relief pursuant to Paragraph 14 below.

14. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without regard to the conflict of laws provisions thereof. Any action, suit or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be submitted to final and binding arbitration pursuant to the Employment Arbitration Rules of the American Arbitration Association before a single arbitrator, who is agreed upon by the Parties, and who is a retired state or federal court judge. The arbitration shall take place in Los Angeles, California. The arbitrator will have the authority to permit discovery and to follow the procedures that he or she determines to be appropriate, as provided for under California law. The arbitrator will have no power to award consequential (including lost profits), punitive or exemplary damages. Such submission to arbitrate shall be the sole and exclusive remedy available to Executive or the Company. The filing Party shall bear filing fees for the arbitration and each Party shall bear its own legal fees and costs resulting from the arbitration, unless a contract or statute provides for recovery to the prevailing party. The judgment on the award rendered by the arbitrator shall be binding upon the Parties and may be entered in any court having jurisdiction. Neither party may seek judicial review of the decision imposed by the arbitrator.

15. This Agreement may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument of this Agreement.

16. This Agreement (including any exhibits attached hereto) constitutes the complete understanding between the parties with respect to the termination of Executive's employment at the Company and supersedes any and all agreements, understandings, and discussions, whether written or oral, between the parties. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the parties hereto.

[Signature page follows]

Dated: _____ Eileen P. Drake _____

AEROJET ROCKETDYNE HOLDINGS, INC.

By: _____ Date: _____
Warren G. Lichtenstein
Executive Chairman of the Board of Directors

