



## Director and Executive Officer Stock Ownership Guidelines

The Board of Directors (the "Board") believes that the Company's Directors and Executive Officers (reporting officers for purposes of Section 16 of the Securities Act of 1934) should own Company common stock ("Common Stock") to further align their interests and actions with the Company's stockholders. Therefore, the Board adopted these Director and Executive Officer Stock Ownership Guidelines..

- **Stock Ownership Guidelines.** Each director and each executive officer is required to own shares of Common Stock with the following value:
  - Directors: three (3) times the amount of the annual cash retainer paid by the Company to the director
  - Chief Executive Officer: three (3) times annual base salary
  - Other Executive Officers: two (2) times annual base salary
- **Form of Ownership.** Common Stock owned by the director or executive officer, directly or indirectly, including restricted stock, stock held by the director or executive officer's spouse or minor children, and stock held beneficially in a trust, will be counted for purposes of determining compliance with these guidelines.
- **Phase-In Period.** Each new director and executive officer will have a period of five years from the date of his or her election or appointment to reach full compliance with these guidelines. Each current director and executive officer will have a period of five years from the date of the adoption of these guidelines to reach full compliance.
- **Holding Requirements.** Until a director or executive officer meets his or her required ownership threshold, then in any given calendar year, he or she shall not be permitted to sell more than fifty percent (50%) of his or her then current total holdings of vested common stock and common stock option awards which have been awarded by the Company (excluding from this calculation shares sold to fund tax liabilities associated with the receipt or vesting of the award). If a director or executive officer fails to meet his or her required ownership threshold following the five year phase-in period, he or she will be prohibited from selling any shares of common stock unless the minimum ownership level is met and maintained.
- **Evaluation Date.** Compliance with these guidelines will be evaluated annually by the Compensation Committee based on common stock ownership as of the last day of the calendar year.
- **Calculation Method.** For purposes of determining compliance with these guidelines, shares of common stock will be valued at the greater of: (i) the common stock closing price as of the date on which the determination is being made, and (ii) the common stock closing price on the date the shares were acquired by the director or officer. The amount of annual cash retainer for a director, or base salary for an officer, will be the annual cash retainer or base salary payable to the director or officer at the time of the Evaluation Date.

The Compensation Committee shall be permitted to waive non-compliance with these guidelines in the exercise of its reasonable discretion.

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