

## Board of Directors Policy on Certain Equity Awards

The Board of Directors adopts the following policy on the setting of grant dates and exercise prices for certain equity awards.

1. **Adherence to Laws, Charter and Plans.** All stock option and stock-based awards (“Equity Awards”) will be made in accordance with applicable laws, the Executive Compensation and Development Committee (the “Committee”) charter and the applicable equity compensation plans.

2. **Timing of Public Announcements.** The Company’s policy is that neither the Committee nor any employee of the Company will backdate any Equity Award, or manipulate the timing of the public release of material information or of any Equity Award with the intent of benefiting a grantee under an Equity Award.

3. **Annual Stock Option Awards to Directors and Corporate Officers**

Each year, the Committee will determine whether to award an annual grant of stock options to Company Directors and Officers during the Committee’s regularly scheduled December meeting. If the Committee determines to grant such awards, it will approve the number of options to be awarded to each Director and Officer. Such awards will be made in accordance with the terms of the applicable Company equity compensation plan unless otherwise approved by the Committee.

- a. The grant date for any such stock options awarded by the Committee will be the date of the Committee’s December meeting in which the grant was approved.
- b. The exercise price of any such options will be the fair market value of the Company’s stock on the grant date as defined in the applicable equity compensation plan.

4. **Annual Restricted Stock Awards to Directors**

Each year, the Committee will determine whether to award an annual grant of restricted stock to Company Directors during the Committee’s regularly scheduled December meeting. If the Committee determines to grant such awards, it will approve the number of shares to be awarded to each Director. Such awards will be made in accordance with the terms of the applicable Company equity compensation plan unless otherwise approved by the Committee. The grant date for any such restricted stock awarded by the Committee will be the date of the Committee’s December meeting in which the grant was approved.

5. **Ad Hoc and New Hire Equity Awards**

Company management will occasionally recommend a grant of an Equity Award to certain officers and employees on an ad hoc basis or in relation to the hiring of a new employee. This policy applies to certain aspects of such awards.

## Board of Directors Policy on Certain Equity Awards

- a. **Awards to Section 16 Officers.** The Committee must approve any Equity Award granted to Company officers subject to Section 16 of the Securities Exchange Act of 1934 or Covered Employees (as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended) whether pursuant to an ad hoc award or new hire award.
- i. The grant date for any ad hoc or new hire Equity Award approved in a meeting of the Committee will be:
    - 1. the date of the Committee meeting in which the award is approved in the case of an ad hoc Equity Award; or
    - 2. the next regularly scheduled Committee meeting following the first date of employment in the case of an Equity Award to a new hire.
  - ii. The grant date for any ad hoc or new hire Equity Award approved by unanimous written consent of the Committee will be the next regularly scheduled Committee meeting following:
    - 1. the date of execution of the unanimous consent in the case of an ad hoc Equity Award; or
    - 2. the first date of employment in the case of an Equity Award to a new hire.

The exercise price for any such Equity Award granted in the form of a stock option or stock appreciation right will be the fair market value of the Company's stock on the grant date as defined under the applicable equity compensation plan.

- b. **Awards to Employees Other than Section 16 Officers.** Pursuant to the authority delegated under the Committee Charter, the CEO of the Company and the Committee Chair may, under the limited circumstances described in the Committee Charter, approve Equity Awards to employees other than those covered under Section 16 of the Securities Exchange Act of 1934 or Covered Employees (as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended) whether pursuant to an employment agreement or a proposed ad hoc award. Under this policy, the Company's Director, Human Resources must also approve any such Equity Awards.

The grant date for any such awards will be the date of the next regularly scheduled Committee meeting following the:

- i. date of written approval of the award by the CEO or Committee Chair in the case of an ad hoc award; or
- ii. the first date of employment in the case of an award to a new hire.

The exercise price for any such Equity Award granted in the form of a stock option or stock appreciation right will be the fair market value of the Company's stock on the grant date as defined under the applicable equity compensation plan.

Board of Directors Policy  
on Certain Equity Awards

6. **Notification.** All Equity Awards shall be promptly communicated to the necessary accounting and legal personnel to assure proper reporting and accounting of the awards. Grant award packages shall be promptly distributed to grantees, and in no event shall such communication be later than ten (10) business days from the grant date.
  
7. **Amendment.** The Committee may amend this Policy in whole or in part at any time and from time to time. In addition, the Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy.